
2026 Federal Low Income Housing Tax Credit Program for Virginia

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications and Fees Must Be Received

No Later Than **12:00 PM** Richmond, VA Time On **March 12, 2026**

Tax Exempt Bonds

Applications and Fees Must Be Received

No Later Than **12:00 PM** Richmond, VA Time for one of the available
4% credit rounds- **January 15, 2026, July 1, 2026 or October 1, 2026.**

Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220-6500



INSTRUCTIONS FOR THE VIRGINIA 2026 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 365. Please note that using the active Excel workbook does not eliminate the need to submit the required PDF of the signed hardcopy of the application and related documentation. A more detailed explanation of application submission requirements is provided below and in the Application Manual.

An electronic copy of your completed application is a mandatory submission item.

Applications For all credits:

Applicants should submit the application package via Procorem prior to the application deadline, which is **12:00 PM** Richmond Virginia time for each round. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only via your specific Procorem workcenter.

There should be distinct files which should include the following:

1. Application For Reservation – the active Microsoft Excel workbook
2. A PDF file which includes the following:
 - Application For Reservation – Signed version of hardcopy
 - All application attachments (i.e. tab documents, excluding market study and plans & specs)
3. Market Study – PDF or Microsoft Word format
4. Plans - PDF or other readable electronic format
5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)
6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format

IMPORTANT:

Virginia Housing only accepts files via our work center sites on Procorem. Contact TaxCreditApps@virginiahousing.com for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the Virginia Housing LIHTC Allocation Department staff.

Disclaimer:

Virginia Housing assumes no responsibility for any problems incurred in using this spreadsheet or for the accuracy of calculations. Check your application for correctness and completeness before submitting the application to Virginia Housing.

Entering Data:

Enter numbers or text as appropriate in the blank spaces highlighted in yellow. Cells have been formatted as appropriate for the data expected. All other cells are protected and will not allow changes.

Please Note:

- ▶ **VERY IMPORTANT! : Do not** use the copy/cut/paste functions within this document. Pasting fields will corrupt the application and may result in penalties. You may use links to other cells or other documents but do not paste data from one document or field to another. You may also use the drag function.
- ▶ Some fields provide a dropdown of options to select from, indicated by a down arrow that appears when the cell is selected. Click on the arrow to select a value within the dropdown for these fields.
- ▶ The spreadsheet contains multiple error checks to assist in identifying potential mistakes in the application. These may appear as data is entered but are dependent on values entered later in the application. Do not be concerned with these messages until all data within the application has been entered.
- ▶ Also note that some cells contain error messages such as “#DIV/0!” as you begin. These warnings will disappear as the numbers necessary for the calculation are entered.

Assistance:

If you have any questions, please contact the Virginia Housing LIHTC Allocation Department. Please note that we cannot release the copy protection password.

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
Lauren Dillard	lauren.dillard@virginiahousing.com	(804) 584-4729
Hadia Ali	hadia.ali@virginiahousing.com	(804) 343-5873

TABLE OF CONTENTS

Click on any tab label to be directed to location within the application.

TAB	DESCRIPTION
1. Submission Checklist	Mandatory Items, Tabs and Descriptions
2. Development Information	Development Name and Locality Information
3. Request Info	Credit Request Type
4. Owner Information	Owner Information and Developer Experience
5. Site and Seller Information	Site Control, Identity of Interest and Seller info
6. Team Information	Development Team Contact information
7. Rehabilitation Information	Acquisition Credits and 10-Year Look Back Info
8. Non Profit	Non Profit Involvement, Right of First Refusal
9. Structure	Building Structure and Units Description
10. Utilities	Utility Allowance
11. Enhancements	Building Amenities above Minimum Design Requirements
12. Special Housing Needs	504 Units, Sect. 8 Waiting List, Rental Subsidy
13. Unit Details	Set Aside Selection and Breakdown
14. Budget	Operating Expenses
15. Hard Costs	Development Budget: Contractor Costs
16. Owner's Costs	Development Budget: Owner's Costs, Developer Fee, Cost Limits
17. Eligible Basis	Eligible Basis Calculation
18. Sources of Funds	Construction, Permanent, Grants and Subsidized Funding Sources
19. Equity	Equity and Syndication Information
20. Gap Calculation	Credit Reservation Amount Needed
21. Cash Flow	Cash Flow Calculation
22. BINs	BIN by BIN Eligible Basis
23. Owner Statement	Owner Certifications
24. Architect's Statement	Architect's agreement with proposed deal
25. Previous Participation Certification	Mandatory form related to principals
26. List of Developments (Schedule A)	Mandatory form related to principals
27. Scoresheet	Self Scoresheet Calculation
28. Development Summary	Summary of Key Application Points
29. Efficient Use of Resources (EUR)	Calculates Points for Efficient Use of Resources
30. Mixed Construction - Cost Distribution	For Mixed Construction type Applications only - indicates how costs are distributed across the different construction activities

2026 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under Virginia Housing's point system of ranking applications, and may assist Virginia Housing in its determination of the appropriate amount of credits that may be reserved for the development.

☒	\$1,000 Application Fee (MANDATORY) - Invoice information will be provided in your Procorem Workcenter
☒	Electronic Copy of the Microsoft Excel Based Application (MANDATORY)
☒	PDF Copy of the Signed Tax Credit Application with Attachments (Tabs A-AB) (MANDATORY)
☒	Electronic Copy of the Market Study (MANDATORY - Application will be disqualified if study is not submitted with application)
☒	Electronic Copy of the Plans (MANDATORY)
☒	Electronic Copy of the Specifications (MANDATORY)
☐	Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab)
☐	Electronic Copy of Unit by Unit Matrix and Scope of Work narrative (MANDATORY if Rehab)
☐	Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request)
☐	Electronic Copy of Appraisal (MANDATORY if acquisition credits requested)
☒	Electronic Copy of Environmental Site Assessment (Phase I) (MANDATORY if 4% credits requested)
☒	Electronic Copy of List of LIHTC Developments (Schedule A) and Signed Previous Participation Agreement
☐	
☒	Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests (see manual for details) (MANDATORY)
☐	
☒	Tab B: Virginia State Corporation Commission Certification (MANDATORY)
☒	Tab C: Syndicator's or Investor's Letter of Intent (MANDATORY)
☒	Tab D: <i>Any supporting documentation related to List of LIHTC Developments or Previous Participation Agreement</i>
☒	Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY)
☒	Tab F: Third Party RESNET Rater Certification and Sample HERS certificates (MANDATORY)
☒	Tab G: Zoning Certification Letter (MANDATORY)
☒	Tab H: Attorney's Opinion using Virginia Housing template (MANDATORY)
☐	Tab I: Nonprofit Questionnaire (MANDATORY for points or pool)
	The following documents need not be submitted unless requested by Virginia Housing:
	-Nonprofit Articles of Incorporation -IRS Documentation of Nonprofit Status
	-Joint Venture Agreement (if applicable) -For-profit Consulting Agreement (if applicable)
☐	Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY if Rehab)
☐	Tab K: Documentation of Development Location:
☒	K.1 Revitalization Area Certification
☐	K.2 Surveyor's Certification of Proximity To Public Transportation using Virginia Housing template
☐	Tab L: PHA / Section 8 Notification Letter
☐	Tab M: <i>(left intentionally blank)</i>
☐	Tab N: Homeownership Plan
☐	Tab O: Plan of Development Certification Letter
☐	Tab P: Zero Energy or Passive House documentation for prior allocation by this developer
☐	Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
☒	Tab R: Documentation of Utility Allowance Calculation
☐	Tab S: Supportive Housing Certification
☒	Tab T: Funding Documentation
☒	Tab U: Acknowledgement by Tenant of the availability of Renter Education provided by Virginia Housing
☐	Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
☒	Tab W: Internet Safety Plan and Resident Information Form
☒	Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
☐	Tab Y: Inducement Resolution for Tax Exempt Bonds
☐	Tab Z: Documentation of team member's Veteran Owned Small Business certification
☐	Tab AA: Priority Letter from Rural Development
☐	Tab AB: Ownership's Veteran Owned Small Business Certification

VHDA TRACKING NUMBER

2026-TEB-23

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/15/2026

1. Development Name: Rady Flats
 2. Address (line 1): 2811 Rady Street
Address (line 2):
City: Richmond State: VA Zip: 23222
 3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: Latitude:
(Only necessary if street address or street intersections are not available.)
 4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
City/County of Richmond City
 5. The site overlaps one or more jurisdictional boundaries. FALSE
If true, what other City/County is the site located in besides response to #4?
 6. Development is located in the census tract of: 109.00
 7. Development is located in a **Qualified Census Tract**. TRUE *Note regarding DDA and QCT*
 8. Development is located in a **Difficult Development Area**. FALSE
 9. Development is located in a **Revitalization Area based on QCT**. TRUE
 10. Development is located in a **Revitalization Area designated by resolution or by the locality**. FALSE
 11. Development is located in an **Opportunity Zone** (with a binding commitment for funding). FALSE
(If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**) **QCT are not eligible for census poverty points**
 12. Development is located in a census tract with a household poverty rate of:

3%	10%	12%
<u>FALSE</u>	<u>FALSE</u>	<u>TRUE</u>
 13. Development is located in a medium or high-level economic development jurisdiction based on table. FALSE
 14. Development is located on land owned by federally or Virginia recognized Tribal Nations. FALSE
- Enter only Numeric Values below:**
15. Congressional District: 4
Planning District: 15
State Senate District: 14
State House District: 79
16. Development Description: In the space provided below, give a brief description of the proposed development

Rady Street Apartments is a thoughtfully designed, 288-unit affordable housing community planned for 2811 Rady Street in Richmond, Virginia. Spanning 22.87 acres across four residential buildings, the development will provide much-needed housing for individuals and families.

VHDA TRACKING NUMBER

2026-TEB-23

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

1/15/2026

17. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name:

Odie Donald

Chief Executive Officer's Title:

Chief Administrative Officer

Phone:

(804) 646-7000

Street Address:

900 E Broad Street

City:

Richmond

State:

VA

Zip:

23219

Name and title of local official you have discussed this project with who could answer questions for the local CEO:

Merrick Malone - Director of Housing Community Development

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name:

Chief Executive Officer's Title:

Phone:

Street Address:

City:

State:

Zip:

Name and title of local official you have discussed this project with who could answer questions for the local CEO:

B. RESERVATION REQUEST INFORMATION**1. Requesting Credits From:**

a. If requesting 9% Credits, select credit pool:

or

b. If requesting Tax Exempt Bond credits, select the round.

ROUND 1

For Tax Exempt Bonds, where are bonds being issued?

Richmond Redevelopment & Housing Authority

ACTION: Provide Inducement Resolution at **TAB Y** (if available)**2. Type(s) of Allocation/Allocation Year (skip for TE Credits)**

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2026.b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2026, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2026 credits pursuant to Section 42(h)(1)(E).**3. Select Building Allocation type:**

New Construction

Note regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

4. Is this an additional allocation for a development that has buildings not yet placed in service?

FALSE

5. Planned Combined 9% and 4% Developments

a. A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application.

FALSE

If true, provide name of companion development:

a. Has the developer met with Virginia Housing regarding the 4% tax exempt bond deal?

FALSE

b. List below the number of units planned for each allocation request. **This stated split of units cannot be changed or 9% Credits will be cancelled.**

Total Units within 9% allocation request?

0

Total Units within 4% Tax Exempt allocation Request?

0

Total Units:

0

% of units in 4% Tax Exempt Allocation Request:

0.00%

6. Extended Use Restriction**Note:** Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.**Must Select One:**

50

Definition of selection:

Development will be subject to an extended use agreement of 35 additional years after the 15-year compliance period for a total of 50 years.

7. Virginia Housing would like to encourage the efficiency of electronic payments. Indicate if developer commits to submitting any payments due the Authority, including reservation fees and monitoring fees, by electronic payment.

TRUE

Virginia Housing offers the Rental Housing Invoicing Portal to allow easy payments via secure ACH transactions. See Login at top right of our website. An invoice for your application fee along with access information was provided in your development's assigned Procorem work center.

C. OWNERSHIP INFORMATION

NOTE: Virginia Housing may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by Virginia Housing in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

1. Owner Information:

Must be an individual or legally formed entity.

a. Owner Name: ECG Rady, LP

Developer Name: ECG Rady Developer, LLC

Contact: M/M ▶ Mr. First: Hunter MI: C Last: Nelson

Address: 1030 16th Ave S Suite 500

City: Nashville St. ▶ TN Zip: 37212

Phone: (615) 490-6700 Ext. Fax:

Email address: hunter@elmingtoncapital.com

Federal I.D. No. 392543597 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ limited partnership Formation State: ▶ Virginia

Additional Contact: Please Provide Name, Email and Phone number.

Andrea Blumencweig / ablumencweig@elmingtoncapital.com / 646.821.6714

- ACTION:**
- a. Provide Owner's organizational documents (e.g. Partnership agreements and chart of ownership structure (Org Chart) **(Mandatory TAB A)**
 - b. Provide Certification from Virginia State Corporation Commission **(Mandatory TAB B)**
 - c. Complete the Principals' Previous Participation Certification tabs within this spreadsheet. Include signed in Application PDF.
 - d. Complete the list LIHTC Developments (Schedule A) tabs within this spreadsheet. Include in Application PDF.

- b. FALSE Indicate if at least one principal listed within Org Chart has a Veteran-Owned Small Business Certification and has at least 25% ownership interest in the controlling general partner or managing member as defined in the manual.

ACTION: If true, provide Virginia Housing Veteran Owned Small Business Certification **(TAB AB)**

- c. FALSE Indicate True if the owner meets the following statement:

An applicant with a principal that, within three years prior to the current application, received an IRS Form 8609 for placing a separate development in service without returning credits to or requesting additional credits from the issuing housing finance agency, will be permitted to increase the amount of developer's fee included in the development's eligible basis by 10%.

If True above, what property placed in service?

D. SITE CONTROL

NOTE: Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

Warning: Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

NOTE: If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact Virginia Housing before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: ☒ Purchase Contract

Expiration Date: 2/10/2027

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by Virginia Housing. See QAP for further details.

ACTION: Provide documentation and most recent real estate tax assessment - **Mandatory TAB E**

FALSE

There is more than one site for development and more than one form of site control.

(If **True**, provide documentation for each site specifying number of existing buildings on the site (if any), type of control of each site, and applicable expiration date of stated site control. A site control document is required for each site (**Tab E**.)

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

a. FALSE Owner already controls site by either deed or long-term lease.

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than 2/10/2027.

c. FALSE There is more than one site for development and more than one expected date of acquisition by Owner.

(If c is **True**, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner (**Tab E**.)

D. SITE CONTROL

3. Seller Information:

Name: 2811 Rady, LLC

Address: 10411 Hall Industrial Drive

City: FredricksburgSt.: VirginiaZip: 22408

Contact Person: John PaynePhone: (540) 898-0045

There is an identity of interest between the seller and the owner/applicant

FALSE

If above statement is **TRUE**, complete the following:

Principal(s) involved (e.g. general partners, controlling shareholders, etc.)

Names	Phone	Type Ownership	% Ownership
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

- Indicate Veteran Owned Small Business designation (as defined in the manual) to each team member (if applicable). You can mark True for 3 members to receive the full 10 points.

ACTION: Provide copy of certification from Commonwealth of Virginia, if applicable - **TAB Z**

1. Tax Attorney:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip			
Email:		Phone:	
2. Tax Accountant:	Joel McDowell	This is a Related Entity.	FALSE
Firm Name:	Eisner Amper		
Address:	3595 Grandview Parkway, Suite 500	Veteran Owned Small Bus?	FALSE
City, State, Zip	Birmingham, AL 35243		
Email:	joel.mcdowell@eisenramper.com	Phone:	(205) 789-3801
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	
4. Management Entity:	Elmington Property Management	This is a Related Entity.	TRUE
Firm Name:	Elmington Property Management		
Address:	1030 16th Avenue South	Veteran Owned Small Bus?	FALSE
City, State, Zip	Nashville, TN 37212		
Email:	slehman@elmingtonliving.com	Phone:	(615) 490-6700
5. Contractor:	Cochrane Jamison	This is a Related Entity.	TRUE
Firm Name:	Elmington Construction		
Address:	1030 16th Avenue South	Veteran Owned Small Bus?	FALSE
City, State, Zip	Nashville, TN 37212		
Email:	cjamison@elmingtoncapital.com	Phone:	(615) 490-6700
6. Architect:	Grace Jones	This is a Related Entity.	FALSE
Firm Name:	Humphreys & Partners Architects		
Address:	6111 W. Piano Pkwy, Suite 1800	Veteran Owned Small Bus?	FALSE
City, State, Zip	Plano, TX 75093		
Email:	grace@humphreys.com	Phone:	214-269-5083

E. DEVELOPMENT TEAM INFORMATION

7. Real Estate Attorney:	Preston Lloyd	This is a Related Entity.	FALSE
Firm Name:	Williams Mullen		
Address:	200 South 10th Street, Suite 1600	Veteran Owned Small Bus?	FALSE
City, State, Zip	Richmond VA, 23230		
Email:	plloyd@williamsmullen.com	Phone:	(804) 420-6615
8. Mortgage Banker:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip			
Email:		Phone:	
9. Other 1:	Dwayne Barrett	This is a Related Entity.	FALSE
Firm Name:	Reno & Cavanaugh		
Address:	424 Church Street, Suite 2910	Veteran Owned Small Bus?	FALSE
City, State, Zip	Nashville, TN 37219	Role:	
Email:	dbarrett@renocavanaugh.com	Phone:	(615) 866-3224
10. Other 2:	Allison Domson	This is a Related Entity.	FALSE
Firm Name:	Williams Mullen		
Address:	200 South 10th Street, Suite 1600	Veteran Owned Small Bus?	FALSE
City, State, Zip	Richmond VA, 23230	Role:	
Email:	adomson@williamsmullen.com	Phone:	(804) 420-6915
11. Other 3:	Mark Boyd	This is a Related Entity.	FALSE
Firm Name:	Kimley Horn		
Address:	10 Lea Avenue, Suite 400	Veteran Owned Small Bus?	FALSE
City, State, Zip	Nashville, TN 37210	Role:	Civil Engineer
Email:	mark.boyd@kimley-horn.com	Phone:	(615) 564-2701
12. Other 4:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	
13. Other 5:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	

F. REHAB INFORMATION**1. Acquisition Credit Information**

- a. Credits are being requested for existing buildings being acquired for development. **FALSE**

Action: If true, provide an electronic copy of the Existing Condition Questionnaire, Unit by Unit Matrix and Appraisal.

- b. This development has received a previous allocation of credits **FALSE**
 If so, when was the most recent year that this development received credits?
 If this is a preservation deal,
 what date did this development enter its Extended Use Agreement period?

- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority? **FALSE**

- d. This development is an existing RD or HUD S8/236 development. **FALSE**
Action: (If True, provide required form in **TAB Q**)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from Virginia Housing prior to application submission to receive these points.

- i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition. **FALSE**
 ii. Applicant has obtained a waiver of this requirement from Virginia Housing prior to the application submission deadline. **FALSE**

2. Ten-Year Rule For Acquisition Credits

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement. **FALSE**

- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i), **FALSE**

- i. Subsection (I) **FALSE**
 ii. Subsection (II) **FALSE**
 iii. Subsection (III) **FALSE**
 iv. Subsection (IV) **FALSE**
 v. Subsection (V) **FALSE**

- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6). **FALSE**

- d. There are different circumstances for different buildings. **FALSE**
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

- a. Credits are being requested for rehabilitation expenditures. FALSE
- b. **Minimum Expenditure Requirements**
- i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii). FALSE
- ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only) FALSE
- iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception. FALSE
- iv. There are different circumstances for different buildings. FALSE
- Action:** (If True, provide an explanation for each building in Tab K)

G. NONPROFIT INVOLVEMENT

Applications for 9% Credits - Section 1 must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section 2 must be completed to obtain points for nonprofit involvement.

1. Tax Credit Nonprofit Pool Applicants: To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:
- FALSE

FALSE

FALSE

FALSE

FALSE

FALSE

FALSE

a. Be authorized to do business in Virginia.

b. Be substantially based or active in the community of the development.

c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.

d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.

e. Not be affiliated with or controlled by a for-profit organization.

f. Not have been formed for the principal purpose of competition in the Non Profit Pool.

g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.
2. All Applicants: To qualify for points under the ranking system, the nonprofit's involvement need not necessarily satisfy all of the requirements for participation in the nonprofit tax credit pool.
- A. Nonprofit Involvement (All Applicants)
- FALSE

There is nonprofit involvement in this development.

(If false, skip to #3.)
- Action: If there is nonprofit involvement, provide completed Non Profit Questionnaire (Mandatory TAB I).
- B. Type of involvement:
- FALSE

Nonprofit meets eligibility requirement for points only, not pool.

or

FALSE

Nonprofit meets eligibility requirements for nonprofit pool and points.
- C. Identity of Nonprofit (All nonprofit applicants):
- The nonprofit organization involved in this development is: ▶
- Name:
- Contact Person:
- Street Address:
- City: State: ▶ Zip:
- Phone: Contact Email:
- D. Percentage of Nonprofit Ownership (All nonprofit applicants):
- Specify the nonprofit entity's percentage ownership of the general partnership interest:

0.0%

G. NONPROFIT INVOLVEMENT

3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal

A. FALSE After the mandatory 15-year compliance period, a qualified nonprofit or local housing authority will have the option to purchase or the right of first refusal to acquire the development for a price not to exceed the outstanding debt and exit taxes. Such debt must be limited to the original mortgage(s) unless any refinancing is approved by the nonprofit. See manual for more specifics.

Action: Provide Option or Right of First Refusal in recordable form using Virginia Housing's template. (TAB V)
Provide Nonprofit Questionnaire (if applicable) (TAB I)

Name of qualified nonprofit:

or indicate true if Local Housing Authority FALSE
Name of Local Housing Authority

B. FALSE A qualified nonprofit or local housing authority submits a homeownership plan committing to sell the units in the development after the mandatory 15-year compliance period to tenants whose incomes shall not exceed the applicable income limit at the time of their initial occupancy.

Do not select if extended compliance is selected on Request Info Tab

Action: Provide Homeownership Plan (TAB N) and contact Virginia Housing for a Pre-Application M

NOTE: Applicant is required to waive the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION**1. General Information**

a. Total number of all units in development	288	bedrooms	756
Total number of rental units in development	288	bedrooms	756
Number of low-income rental units	288	bedrooms	756
Percentage of rental units designated low-income	100.00%		
b. Number of new units:	288	bedrooms	756
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:	0	bedrooms	0
c. If any, indicate number of planned exempt units (included in total of all units in development)			0
d. Total Floor Area For The Entire Development			377,348.00 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)			10,296.00 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding)			0.00
g. Total Usable Residential Heated Area			367,052.00 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	22.870		
j. Locality has approved a final site plan or plan of development. If True , Provide required documentation (TAB O).	FALSE		
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits	FALSE		

Definition:

The structure is historic, by virtue of being listed individually in the National Register of Historic Places, or due to its location in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

H. STRUCTURE AND UNITS INFORMATION**2. UNIT MIX**a. Specify the **average size and number per unit type**:*LIHTC Units can not be greater than Total Rental Units*

Note: Average sq foot should include the prorata of common space.

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	776.00	SF	36	36
2BR Garden	1017.00	SF	84	84
3BR Garden	1317.00	SF	120	120
4BR Garden	1505.00	SF	48	48
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			288	288

Note: Please be sure to enter the values in the appropriate unit category. If not, errors will occur on the self scoresheet.

3. Structures

- a. Number of Buildings (containing rental units) **4**
- b. Age of Structure: **0** years
- c. Maximum Number of stories: **4**

d. The development is a scattered site development. **FALSE**

e. Commercial Area Intended Use: **N/A**

f. Development consists primarily of : **(Only One Option Below Can Be True)**

- | | |
|--|--------------|
| i. Low Rise Building(s) - (1-5 stories with <u>any</u> structural elements made of wood) | TRUE |
| ii. Mid Rise Building(s) - (5-7 stories with <u>no</u> structural elements made of wood) | FALSE |
| iii. High Rise Building(s) - (8 or more stories with <u>no</u> structural elements made of wood) | FALSE |

g. Indicate **True** for all development's structural features that apply:

- | | | | |
|------------------------|--------------|---------------------------|--------------|
| i. Row House/Townhouse | FALSE | v. Detached Single-family | FALSE |
| ii. Garden Apartments | TRUE | vi. Detached Two-family | FALSE |
| iii. Slab on Grade | TRUE | vii. Basement | FALSE |
| iv. Crawl space | FALSE | | |

h. Development contains an elevator(s). **TRUE**

If true, # of Elevators. **4**

Elevator Type (if known)

H. STRUCTURE AND UNITS INFORMATION

- | | | |
|----------------------------|---|---------------------|
| i. Roof Type | ▶ | Combination |
| j. Construction Type | ▶ | Frame |
| k. Primary Exterior Finish | ▶ | Fiber Cement Siding |

4. Site Amenities (indicate all proposed)

a. Business Center	TRUE	f. Limited Access	FALSE
b. Covered Parking	FALSE	g. Playground	TRUE
c. Exercise Room	TRUE	h. Pool	TRUE
d. Gated access to Site	FALSE	i. Rental Office	TRUE
e. Laundry facilities	FALSE	j. Sports Activity Ct.	FALSE
		k. Other:	

l. Describe Community Facilities: All tenants will have access to communal facilities including an exercise room

m. Number of Proposed Parking Spaces 533
 Parking is shared with another entity FALSE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing or proffered public bus stop. FALSE

If **True**, Provide required documentation (**TAB K2**).

5. Plans and Specifications**a. Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**

- i. A location map with development clearly defined.
- ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
- iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor structure
 Notes must indicate basic materials in structure, floor and exterior finish.

b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.

- i. Phase I environmental assessment.
- ii. Physical needs assessment for any rehab only development.

c. **All Tax Exempt 4% Applications must submit plans and specifications complete at least through Design Development (DD) phase for all design disciplines.** Reference the separate Minimum Design and Construction Requirements document for a full list of submission requirements for New Construction and Rehabilitation projects.

NOTE: All developments must meet Virginia Housing's **Minimum Design and Construction Requirements**. By signing and submitting the Application for Reservation of LIHTC, the applicant certifies that the proposed project budget, plans & specifications and work write-ups incorporate all necessary elements to fulfill these requirements.

I. UTILITIES

1. Utilities Types:

a. Heating Type	Electric Forced Air
b. Cooking Type	Electric
c. AC Type	Central Air
d. Hot Water Type	Electric

2. Indicate True if the following services will be included in Rent:

Water?	TRUE	Heat?	FALSE
Hot Water?	FALSE	AC?	FALSE
Lighting/ Electric?	FALSE	Sewer?	TRUE
Cooking?	FALSE	Trash Removal?	TRUE

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	13	21	23	31
Air Conditioning	0	6	7	10	12
Cooking	0	15	18	20	21
Lighting	0	14	18	19	21
Hot Water	0	13	17	20	24
Water	0	0	0		0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$61	\$81	\$92	\$109

3. The following sources were used for Utility Allowance Calculation (Provide documentation **TAB R**).

- | | | | |
|----------|---------------------------------|----------|---------------------|
| a. FALSE | HUD | d. FALSE | Local PHA |
| b. FALSE | Utility Company (Estimate) | e. TRUE | Other: Econsultants |
| c. FALSE | Utility Company (Actual Survey) | | |

Warning: The Virginia Housing housing choice voucher program utility schedule shown on VirginiaHousing.com should not be used unless directed to do so by the local housing authority.

J. ENHANCEMENTS

Each development must meet the following baseline energy performance standard applicable to the development's construction category.

- a. **New Construction:** must obtain EnergyStar certification.
- b. **Rehabilitation:** renovation must result in at least a 30% performance increase or score an 80 or lower on the HERS Index.
- c. **Adaptive Reuse:** must score a 95 or lower on the HERS Index.

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater. The HERS report should be completed for the whole development and not an individual unit.

Indicate **True** for the following items that apply to the proposed development:

ACTION: Provide RESNET rater certification of Development Plans (**TAB F**)

ACTION: Provide Internet Safety Plan and Resident Information Form (**Tab W**) if corresponding options selected below.

REQUIRED:**1. For any development, upon completion of construction/rehabilitation:**

- | | |
|---------------|--|
| <u>TRUE</u> | a. A community/meeting room with a minimum of 749 square feet is provided with free WIFI access restricted to residents only. |
| <u>20.00%</u> | b1. Percentage of brick covering the exterior walls. |
| <u>80.00%</u> | b2. Percentage of Fiber Cement Board or other similar low-maintenance material approved by the Authority covering exterior walls. Community buildings are to be included in percentage calculations. |
| <u>TRUE</u> | c. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| <u>TRUE</u> | d. Cooking surfaces are equipped with fire suppression features as defined in the manual |
| <u>TRUE</u> | e. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| or | |
| <u>FALSE</u> | f. Full bath fans are equipped with a humidistat. |
| <u>FALSE</u> | g. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| <u>FALSE</u> | h. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service where it does not already exist. |
| <u>FALSE</u> | i. Each unit is provided free individual high-speed internet access.
(Must have a minimum 20Mbps upload/ 100Mbps download speed per manual.) |
| <u>FALSE</u> | j. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| <u>FALSE</u> | k. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| or | |
| <u>FALSE</u> | l. All Construction types: each unit is equipped with a permanent dehumidification system. |
| <u>FALSE</u> | m. All interior doors within units are solid core. |
| <u>FALSE</u> | n. Installation of a renewable energy electric system in accordance with manufacturer's specifications and all applicable provisions of the National Electrical Code - Provide documentation at Tab F . |
| <u>FALSE</u> | o. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet. |

J. ENHANCEMENTS

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.
- FALSE d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

- a. Applicant agrees to meet the base line energy performance standard applicable to the development's construction category as listed above.

The applicant will also obtain one of the following:

- | | | | |
|--------------|---|--------------|---|
| <u>FALSE</u> | Earthcraft Gold or higher certification | <u>TRUE</u> | National Green Building Standard (NGBS) |
| | | | certification of Silver or higher. |
| <u>FALSE</u> | LEED Certification | <u>FALSE</u> | Enterprise Green Communities (EGC) |
| | | | Certification |

Action: If seeking any points associated Green certification, provide appropriate documentation at **TAB F**.

- b. Applicant will pursue one of the following certifications to be awarded points on a future development application. (Failure to reach this goal will not result in a penalty.)

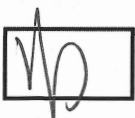
- | | | | |
|--------------|---|--------------|-------------------------|
| <u>FALSE</u> | Zero Energy Ready Home Requirements | <u>FALSE</u> | Passive House Standards |
| <u>FALSE</u> | Applicant wishes to claim points from a prior allocation that has received certification for Zero Energy Ready or Passive House Standards. Provide certification at Tab P . See Manual for details and requirements. | | |

3. Universal Design - Units Meeting Universal Design Standards (units must be shown on Plans)

- | | |
|-------------|--|
| <u>TRUE</u> | a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards. |
| <u>29</u> | b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards: |
| | 10% of Total Rental Units |

No Market Units listed on Structure 1a.

4. FALSE Market-rate units' amenities are substantially equivalent to those of the low income units



Architect of Record initial here that the above information is accurate per certification statement within this application.

K. SPECIAL HOUSING NEEDS

NOTE: Any Applicant commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.

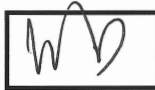
1. **Accessibility:** Indicate **True** for the following point category, as appropriate.

Action: Provide appropriate documentation (**Tab X**)

TRUE

Any development in which ten percent (10%) of the total units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

All common space must also conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act.



Architect of Record initial here that the above information is accurate per certification statement within this application.

2. **Special Housing Needs/Leasing Preference:**

a. If not general population, select applicable special population:

FALSE

Elderly (as defined by the United States Fair Housing Act.)

FALSE

Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only

FALSE

Supportive Housing (as described in the Tax Credit Manual)

FALSE

If Supportive Housing is True: Will the supportive housing consist of units designated for tenants that are homeless or at risk of homelessness?

FALSE

Action: Provide Permanent Supportive Housing Certification (**Tab S**)

b. The development has existing tenants and a relocation plan has been developed.

FALSE

(If **True**, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties as described in the manual.)

Action: Provide Relocation Plan, Budget and Unit Delivery Schedule (**Mandatory if tenants are displaced - Tab J**)

K. SPECIAL HOUSING NEEDS**3. Leasing Preferences**

- a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select: No

Organization which holds waiting list: _____

Contact person: _____

Title: _____

Phone Number: _____

Action: Provide required notification documentation (**TAB L**)

- b. Leasing preference will be given to individuals and families with children. TRUE
(Less than or equal to 20% of the units must have of 1 or less bedrooms).

- c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 0
% of total Low Income Units 0%

NOTE: Development must utilize a **Virginia Housing Certified Management Agent**. Proof of management certification must be provided before 8609s are issued.

[Download Current CMA List from VirginiaHousing.com](https://www.virginiahousing.com)

Action: Provide documentation of tenant disclosure regarding Virginia Housing Rental Education
(Mandatory - Tab U)

4. Target Population Leasing Preference

Unless prohibited by an applicable federal subsidy program, each applicant shall commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding commitment for rental assistance from the Commonwealth, and (iii) referred to the development by a referring agent approved by the Authority. The leasing preference shall not be applied to more than ten percent (10%) of the total units in the development at any given time. The applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than the applicant's tenant selection criteria or leasing terms applicable to prospective tenants in the development that do not receive this preference, the eligibility criteria for the rental assistance from the Commonwealth, or any eligibility criteria contained in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.

Primary Contact for Target Population leasing preference. The agency will contact as needed.

First Name: Stephanie

Last Name: Lehman

Phone Number: (615) 490-6700 Email: slehman@elmingtonliving.com

K. SPECIAL HOUSING NEEDS**5. Rental Assistance**

a. Some of the low-income units do or will receive rental assistance..... FALSE

b. Indicate True if rental assistance will be available from the following

FALSE Rental Assistance Demonstration (RAD) or other PHA conversion to project based rental assistance.

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 811 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

*Administering Organization: _____

FALSE State Assistance

*Administering Organization: _____

FALSE Other: _____

c. The Project Based vouchers above are applicable to the 30% units seeking points.

FALSE

i. If True above, how many of the 30% units will not have project based vouchers? _____

0

d. Number of units receiving assistance: _____

0

How many years in rental assistance contract? _____

Expiration date of contract: _____

There is an Option to Renew. _____

FALSE

Action: Contract or other agreement provided **(TAB Q)**.

6. Public Housing Revitalization

Is this development replacing or revitalizing Public Housing Units? _____

FALSE

If so, how many existing Public Housing units? _____

0

L. UNIT DETAILS**1. Set-Aside Election:****UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY**

Note: In order to qualify for any tax credits, a development must meet one of three minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test), (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), or (iii) 40% or more of the units are both rent-restricted and occupied by persons whose income does not exceed the imputed income limitation designated in 10% increments between 20% to 80% of the AMI, and the average of the imputed income limitations collectively does not exceed 60% of the AMI (this is called the Average Income Test (AIT)). All occupancy tests are described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
288	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
288	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
288	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
288	100.00%	Total

- b. Indicate that you are electing to receive points for the following deeper targets shown in the chart above and those targets will be reflected in the set-aside requirements within the Extended Use Agreement.

20-30% Levels FALSE 40% Levels FALSE 50% levels FALSE

- c. The development plans to utilize average income testing..... FALSE

2. Unit Mix Grid**FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID**

In the following grid, add a row for each unique unit type planned within the development. Enter the appropriate data for both tax credit and market rate units.



Architect of Record initial here that the information below is accurate per certification statement within this application.

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	60% AMI	32	4	653.00	\$1,213.00	\$38,816
Mix 2	1 BR - 1 Bath	60% AMI	4		574.00	\$1,213.00	\$4,852
Mix 3	2 BR - 2 Bath	60% AMI	8		810.00	\$1,452.00	\$11,616
Mix 4	2 BR - 2 Bath	60% AMI	36		838.00	\$1,452.00	\$52,272
Mix 5	2 BR - 2 Bath	60% AMI	32	8	844.00	\$1,452.00	\$46,464
Mix 6	2 BR - 2 Bath	60% AMI	8		901.00	\$1,452.00	\$11,616
Mix 7	3 BR - 2 Bath	60% AMI	40		1102.00	\$1,675.00	\$67,000
Mix 8	3 BR - 2 Bath	60% AMI	56	12	1081.00	\$1,675.00	\$93,800
Mix 9	3 BR - 2 Bath	60% AMI	24		1104.00	\$1,675.00	\$40,200
Mix 10	4 BR - 2 Bath	60% AMI	48	5	1248.00	\$1,876.00	\$90,048

L. UNIT DETAILS

Mix 11								\$0
Mix 12								\$0
Mix 13								\$0
Mix 14								\$0
Mix 15								\$0
Mix 16								\$0
Mix 17								\$0
Mix 18								\$0
Mix 19								\$0
Mix 20								\$0
Mix 21								\$0
Mix 22								\$0
Mix 23								\$0
Mix 24								\$0
Mix 25								\$0
Mix 26								\$0
Mix 27								\$0
Mix 28								\$0
Mix 29								\$0
Mix 30								\$0
Mix 31								\$0
Mix 32								\$0
Mix 33								\$0
Mix 34								\$0
Mix 35								\$0
Mix 36								\$0
Mix 37								\$0
Mix 38								\$0
Mix 39								\$0
Mix 40								\$0
Mix 41								\$0
Mix 42								\$0
Mix 43								\$0
Mix 44								\$0
Mix 45								\$0
Mix 46								\$0
Mix 47								\$0
Mix 48								\$0
Mix 49								\$0
Mix 50								\$0
Mix 51								\$0
Mix 52								\$0
Mix 53								\$0
Mix 54								\$0
Mix 55								\$0
Mix 56								\$0
Mix 57								\$0
Mix 58								\$0
Mix 59								\$0
Mix 60								\$0
Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
Mix 66								\$0
Mix 67								\$0

L. UNIT DETAILS

Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0
Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
TOTALS	288	29					\$456,684

Total Units	288	Net Rentable SF:	TC Units	285,072.00
			MKT Units	0.00
			Total NR SF:	285,072.00

Floor Space Fraction (to 7 decimals)	100.00000%
--------------------------------------	------------

M. OPERATING EXPENSES**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing			\$48,600
2. Office Salaries			\$300,000
3. Office Supplies			\$0
4. Office/Model Apartment	(type		\$0
5. Management Fee			\$154,682
<u>3.00%</u> of EGI	<u>\$537.09</u>	Per Unit	
6. Manager Salaries			\$55,000
7. Staff Unit (s)	(type		\$0
8. Legal			\$3,000
9. Auditing			\$10,000
10. Bookkeeping/Accounting Fees			\$10,000
11. Telephone & Answering Service			\$3,000
12. Tax Credit Monitoring Fee			\$12,960
13. Miscellaneous Administrative			\$0
Total Administrative			\$597,242

Utilities

14. Fuel Oil		\$0
15. Electricity		\$71,800
16. Water		\$86,800
17. Gas		
18. Sewer		\$71,800
Total Utility		\$230,400

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$0
21. Janitor/Cleaning Contract		\$12,500
22. Exterminating		\$7,000
23. Trash Removal		\$25,000
24. Security Payroll/Contract		\$0
25. Grounds Payroll		\$0
26. Grounds Supplies		\$0
27. Grounds Contract		\$30,000
28. Maintenance/Repairs Payroll		\$100,100
29. Repairs/Material		\$5,000
30. Repairs Contract		\$0
31. Elevator Maintenance/Contract		\$10,000
32. Heating/Cooling Repairs & Maintenance		\$5,000
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$2,000
35. Decorating/Payroll/Contract		\$5,000
36. Decorating Supplies		\$0
37. Miscellaneous		\$0
Totals Operating & Maintenance		\$201,600

M. OPERATING EXPENSES**Taxes & Insurance**

38. Real Estate Taxes		\$20,000
39. Payroll Taxes		\$100,000
40. Miscellaneous Taxes/Licenses/Permits		\$32,000
41. Property & Liability Insurance	\$526 per unit	\$151,600
42. Fidelity Bond		\$0
43. Workman's Compensation		\$20,000
44. Health Insurance & Employee Benefits		\$30,000
45. Other Insurance		\$0
Total Taxes & Insurance		\$353,600

Total Operating Expense**\$1,382,842**

**Total Operating
Expenses Per Unit**

\$4,802

**C. Total Operating
Expenses as % of EGI**

26.79%

Replacement Reserves (Total # Units X \$300 or \$250 New Const./Elderly Minimum)

\$86,400**Total Expenses****\$1,469,242**

N. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

To select exclusion of allowable line items from
Total Development Costs used in Cost limit
calculations, select X in yellow box to the left.

Note: Attorney must opine, among other things, as to correctness of the inclusion of each cost item in eligible basis, type of credit and numerical calculations included in Project Budget.

<u>Must Use Whole Numbers Only!</u>		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
Item	(A) Cost	"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	45,586,983	0	45,586,983	0
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	45,586,983	0	45,586,983	0
f. Earthwork	2,256,027	0	2,256,027	0
g. Site Utilities	1,392,963	0	1,392,963	0
h. Renewable Energy	0	0	0	0
i. Roads & Walks	1,590,040	0	1,590,040	0
j. Site Improvements	62,180	0	62,180	0
k. Lawns & Planting	690,000	0	690,000	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	2,726,200	0	2,726,200	0
q. Hard Cost Contingency	2,773,107	0	2,773,107	0
Total Land Improvements	11,490,517	0	11,490,517	0
Total Structure and Land	57,077,500	0	57,077,500	0
r. General Requirements	3,424,650	0	3,424,650	0
s. Builder's Overhead	1,141,550	0	1,141,550	0
(2.0% Contract)				
t. Builder's Profit	3,424,650	0	3,424,650	0
(6.0% Contract)				
u. Bonds	444,388	0	444,388	0
v. Building Permits	587,520	0	587,520	0
w. Special Construction		0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: GL Insurance	125,830	0	125,830	0
z. Other 2: Additional Contingency	2,800,000	0	2,800,000	0
aa. Other 3:	0	0	0	0
Contractor Costs	\$69,026,088	\$0	\$69,026,088	\$0

Construction cost per unit: \$239,673.92

MAXIMUM COMBINED GR, OVERHEAD & PROFIT =

\$7,990,850

ACTUAL COMBINED GR, OVERHEAD & PROFIT =

\$7,990,850

O. PROJECT BUDGET - OWNER COSTS

To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left.

MUST USE WHOLE NUMBERS ONLY! Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	100,000	0	100,000	0
b. Architecture/Engineering Design Fee \$5,122 /Unit)	1,475,000	0	1,475,000	0
c. Architecture Supervision Fee \$868 /Unit)	250,000	0	250,000	0
d. Tap Fees	800,000	0	800,000	0
e. Environmental	40,000	0	40,000	0
f. Soil Borings	75,000	0	75,000	0
g. Green Building (Earthcraft, LEED, etc.)	100,000	0	100,000	0
h. Appraisal	15,000	0	15,000	0
i. Market Study	15,000	0	15,000	0
j. Site Engineering / Survey	35,000	0	35,000	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	487,500	0	487,500	0
n. Construction Interest (0.0% for 0 months)	5,884,491	0	4,412,595	0
o. Taxes During Construction	50,000	0	50,000	0
p. Insurance During Construction	750,000	0	750,000	0
q. Permanent Loan Fee (0.0%)	789,058			
r. Other Permanent Loan Fees	0			
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	400,000	0	200,000	0
w. Legal Fees for Closing	500,000	0		0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	303,962			
z. Tenant Relocation	0			
aa. Fixtures, Furnitures and Equipment	200,000	0	200,000	0
ab. Organization Costs	0			
ac. Operating Reserve	2,537,583			
ad. Soft Costs Contingency	350,000			
ae. Security	0	0	0	0
af. Utilities	0	0	0	0
ag. Supportive Service Reserves	0			

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify:	Marketing	100,000	0	100,000	0
(2) Other* specify:	Travel & Misc	25,000	0	0	0
(3) Other* specify:	Real Estate Attorney Fees	100,000	0	100,000	0
(4) Other* specify:	Broker Fee	111,000	0	0	0
(5) Other* specify:			0	0	0
(6) Other* specify:			0		0
(7) Other* specify:	0	0	0	0	0
(8) Other* specify:		0	0	0	0
(9) Other* specify:		0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))		\$15,493,593	\$0	\$9,205,095	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)		\$84,519,681	\$0	\$78,231,183	\$0
3. Developer's Fees		5,000,000	0	5,000,000	0
4. Owner's Acquisition Costs					
Land		3,700,000			
Existing Improvements		0	0		
Subtotal 4:		\$3,700,000	\$0		
5. Total Development Costs					
Subtotal 1+2+3+4:		\$93,219,681	\$0	\$83,231,183	\$0

If this application seeks rehab credits only, in which there is no acquisition and **no change in ownership**, enter the greater of appraised value or tax assessment value here:

	\$0	Land
(Provide documentation at Tab E)	\$0	Building

Maximum Developer Fee: \$5,000,000

Proposed Development's Cost per Sq Foot	\$237	Meets Limits
Applicable Cost Limit by Square Foot:	\$556	
Proposed Development's Cost per Unit	\$310,832	Meets Limits
Applicable Cost Limit per Unit:	\$589,015	

P. ELIGIBLE BASIS CALCULATION

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	93,219,681	0	83,231,183	0
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		0	83,231,183	0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			24,969,355	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			108,200,538	0
5. Applicable Fraction				
		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)				
		0	108,200,538	0
7. Applicable Percentage				
		4.00%	4.00%	9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)				
		\$0	\$4,328,022	\$0
		\$4,328,022 Combined 30% & 70% P. V. Credit		

Q. SOURCES OF FUNDS

Action: Provide Documentation for all Funding Sources at **Tab T**

1. **Construction Financing:** List individually the sources of construction financing, including any such loans financed through grant sources:

Source of Funds		Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person	
1.	TBD			\$65,000,000	TBD	
2.						
3.						
Total Construction Funding:				\$65,000,000		

2. **Permanent Financing:** List individually the sources of all permanent financing in order of lien position:

Source of Funds		Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
		(Whole Numbers only)						
1.	TBD			\$48,555,741	\$3,205,924	6.00%	40	
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								
Total Permanent Funding:				\$48,555,741	\$3,205,924			

Q. SOURCES OF FUNDS**3. Grants:** List all grants provided for the development:

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.	ASNH			\$2,500,000	
2.					
3.					
4.					
5.					
6.					
Total Permanent Grants:				\$2,500,000	

4. Subsidized Funding

	Source of Funds	Date of Commitment	Amount of Funds
1.			
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$0

5. Recap of Federal, State, and Local Funds

Portions of the sources of funds described above for the development are financed directly or indirectly with Federal, State, or Local Government Funds.

TRUE

If above is **True**, then list the amount of money involved by all appropriate types.

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$45,000,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	Virginia Housing REACH Funds	\$0
g.	HOME Funds	\$0
h.	Choice Neighborhood	\$0
i.	National Housing Trust Fund	\$0
j.	Virginia Housing Trust Fund	\$0
k.	Other:	\$0
l.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$0
b.	Section 220	\$0
c.	Section 221(d)(3)	\$0
d.	Section 221(d)(4)	\$0
e.	Section 236	\$0
f.	Section 223(f)	\$0
g.	Other:	\$0

Q. SOURCES OF FUNDS

Grants*

a.	CDBG	\$0
b.	UDAG	\$0

Grants

c.	State	
d.	Local	
e.	Other:	

*This means grants to the partnership. If you received a loan financed by a locality which received one of the listed grants, please list it in the appropriate loan column as "other" and describe the applicable grant program which funded it.

6. For Transactions Using Tax-Exempt Bonds Seeking 4% Credits:

For purposes of the Bond Cliff Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is:

51.77%

7. Some of the development's financing has credit enhancements.

FALSE

If **True**, list which financing and describe the credit enhancement:

8. Other Subsidies

Action: Provide documentation (Tab Q)

a.	TRUE	Real Estate Tax Abatement on the increase in the value of the development.
b.	FALSE	New project based subsidy from HUD or Rural Development or any other binding federal project based subsidy
	0	Number of New PBV Vouchers
c.	FALSE	Other

9. A HUD approval for transfer of physical asset is required.

FALSE

R. EQUITY**1. Equity****a. Portion of Syndication Proceeds Attributable to Historic Tax Credit**

Amount of Federal historic credits	\$0	x Equity \$	\$0.000	=	\$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	=	\$0

b. Housing Opportunity Tax Credit Request (paired with 4% credit requests only)

i. Requested Annual HOTC Credits	\$0
ii. 10 Year HOTC Credit Amount	\$0
iii. Equity Dollars Per Credit	\$0.000
iv. Percent of ownership entity (repeated from 3b)	99.99999%
v. HOTC Credit Net	\$0

c. Equity that Sponsor will Fund:

i. Cash Investment	\$0
ii. Contributed Land/Building	\$0
iii. Deferred Developer Fee	\$3,211,740 (Note: Deferred Developer Fee cannot be negative.)
v. Other:	\$0

ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at **TAB A.**

Equity Total \$3,211,740

2. Equity Gap Calculation

a. Total Development Cost		\$93,219,681
b. Total of Permanent Funding, Grants and Equity	-	\$54,267,481
c. Equity Gap		\$38,952,200
d. Developer Equity	-	\$35,579
e. Equity gap to be funded with low-income tax credit proceeds		\$38,916,621

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Red Stone Equity Partners		
Contact Person:	Darren Swanson	Phone:	(212) 225-8296
Street Address:	1515 Mockingbird Lane Suite 640		
City:	Charlotte	State:	North Carolina
		Zip:	28209

b. Syndication Equity

i. Anticipated Annual Credits	\$4,324,069.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.900
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.99999%
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0
v. Net credit amount anticipated by user of credits	\$4,324,069
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$38,916,621

Action: Provide Syndicator's or Investor's signed Letter of Intent
(Mandatory at Tab C)

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	\$38,916,621
---	--------------

5. Net Equity Factor

90.00000900000%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

The following calculation of the amount of credits needed is substantially the same as the calculation which will be made by Virginia Housing to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, Virginia Housing at all times retains the right to substitute such information and assumptions as are determined by Virginia Housing to be reasonable for the information and assumptions provided herein as to costs (including development fees, profits, etc.), sources for funding, expected equity, etc. Accordingly, if the development is selected by Virginia Housing for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs			\$93,219,681
2. Less Total of Permanent Funding, Grants and Equity	-		\$54,267,481
3. Equals Equity Gap			\$38,952,200
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)			90.0000090000%
5. Equals Ten-Year Credit Amount Needed to Fund Gap			\$43,280,218
Divided by ten years			10
6. Equals Annual Tax Credit Required to Fund the Equity Gap			\$4,328,022
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)			\$4,328,022
8. Requested Credit Amount		For 30% PV Credit:	\$4,328,022
		For 70% PV Credit:	\$0
Credit per LI Units	\$15,027.8542	Combined 30% & 70% PV Credit Requested	
Credit per LI Bedroom	\$5,724.8968		
			\$4,328,022

Anticipated Amount on Equity Tab must equal requested amount

9. **Action:** Provide Attorney’s Opinion using Virginia Housing template **(Mandatory Tab H)**

T. CASH FLOW**1. Revenue**Indicate the estimated monthly income for the **Low-Income Units** (based on Unit Details tab):

Total Monthly Rental Income for LIHTC Units	\$456,684
Plus Other Income Source (list):	\$5,760
Equals Total Monthly Income:	\$462,444
Twelve Months	x12
Equals Annual Gross Potential Income	\$5,549,328
Less Vacancy Allowance	7.0%
	\$388,453
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$5,160,875

2. Indicate the estimated monthly income for the Market Rate Units (based on Unit Details tab):

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list):	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance	7.0%
	\$0
Equals Annual Effective Gross Income (EGI) - Market Rate Units	\$0

Action: Provide documentation in support of Operating Budget (**TAB R**)**3. Cash Flow (First Year)**

a.	Annual EGI Low-Income Units	\$5,160,875
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$5,160,875
d.	Total Expenses	\$1,469,242
e.	Net Operating Income	\$3,691,633
f.	Total Annual Debt Service	\$3,205,924
g.	Cash Flow Available for Distribution	\$485,709

T. CASH FLOW**4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow**

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	5,160,875	5,264,093	5,369,374	5,476,762	5,586,297
Less Oper. Expenses	1,469,242	1,513,319	1,558,719	1,605,480	1,653,645
Net Income	3,691,633	3,750,773	3,810,656	3,871,281	3,932,652
Less Debt Service	3,205,924	3,205,924	3,205,924	3,205,924	3,205,924
Cash Flow	485,709	544,849	604,732	665,357	726,728
Debt Coverage Ratio	1.15	1.17	1.19	1.21	1.23

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	5,698,023	5,811,984	5,928,223	6,046,788	6,167,723
Less Oper. Expenses	1,703,254	1,754,352	1,806,982	1,861,192	1,917,028
Net Income	3,994,769	4,057,632	4,121,241	4,185,596	4,250,696
Less Debt Service	3,205,924	3,205,924	3,205,924	3,205,924	3,205,924
Cash Flow	788,845	851,708	915,317	979,672	1,044,772
Debt Coverage Ratio	1.25	1.27	1.29	1.31	1.33

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	6,291,078	6,416,899	6,545,237	6,676,142	6,809,665
Less Oper. Expenses	1,974,538	2,033,775	2,094,788	2,157,631	2,222,360
Net Income	4,316,539	4,383,125	4,450,450	4,518,511	4,587,305
Less Debt Service	3,205,924	3,205,924	3,205,924	3,205,924	3,205,924
Cash Flow	1,110,615	1,177,201	1,244,526	1,312,587	1,381,381
Debt Coverage Ratio	1.35	1.37	1.39	1.41	1.43

Estimated Annual Percentage Increase in Revenue 2.00% (Must be $\leq$ 2%)

Estimated Annual Percentage Increase in Expenses 3.00% (Must be $\geq$ 3%)

U. Building-by-Building Information

Must Complete

Qualified basis must be determined on a building-by building basis. Complete the section below. Building street addresses are required by the IRS (must have them by the time of allocation request).

Number of BINS: 4

Total Qualified Basis should equal total on Elig Basis Tab

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit				
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	
1.		80	0	2811 Rady Street		Richmond	VA	23222				\$0	\$20,807,796	05/01/28	130.00%	\$27,050,135				\$0	
2.		80	0	2811 Rady Street		Richmond	VA	23222				\$0	\$20,807,796	07/01/28	130.00%	\$27,050,135				\$0	
3.		64	0	2811 Rady Street		Richmond	VA	23222				\$0	\$20,807,796	09/01/28	130.00%	\$27,050,135				\$0	
4.		64	0	2811 Rady Street		Richmond	VA	23222				\$0	\$3	11/01/28	130.00%	\$4				\$0	
5.												\$0				\$0				\$0	
6.												\$0				\$0				\$0	
7.												\$0				\$0				\$0	
8.												\$0				\$0				\$0	
9.												\$0				\$0				\$0	
10.												\$0				\$0				\$0	
11.												\$0				\$0				\$0	
12.												\$0				\$0				\$0	
13.												\$0				\$0				\$0	
14.												\$0				\$0				\$0	
15.												\$0				\$0				\$0	
16.												\$0				\$0				\$0	
17.												\$0				\$0				\$0	
18.												\$0				\$0				\$0	
19.												\$0				\$0				\$0	
20.												\$0				\$0				\$0	
21.												\$0				\$0				\$0	
22.												\$0				\$0				\$0	
23.												\$0				\$0				\$0	
24.												\$0				\$0				\$0	
25.												\$0				\$0				\$0	
26.												\$0				\$0				\$0	
27.												\$0				\$0				\$0	
28.												\$0				\$0				\$0	
29.												\$0				\$0				\$0	
30.												\$0				\$0				\$0	
31.												\$0				\$0				\$0	
32.												\$0				\$0				\$0	
33.												\$0				\$0				\$0	
34.												\$0				\$0				\$0	
35.												\$0				\$0				\$0	
288		0 If development has more than 35 buildings, contact Virginia Housing.																			
Totals from all buildings									\$0	\$62,423,391				\$81,150,408				\$0			
									\$0												

Number of BINS: 4

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia Housing's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to Virginia Housing's acceptance, consideration, approval, or disapproval of this reservation request and the issuance or nonissuance of an allocation of credits, grants and/or loan funds in connection herewith.
3. that points will be assigned only for representations made herein for which satisfactory documentation is submitted herewith and that no revised representations may be made in connection with this application once the deadline for applications has passed.
4. that this application form, provided by Virginia Housing to applicants for tax credits, including all sections herein relative to basis, credit calculations, and determination of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of Virginia Housing in reviewing reservation requests; that completion hereof in no way guarantees eligibility for the credits or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority.
5. that the undersigned is responsible for ensuring that the proposed development will be comprised of qualified low-income buildings and that it will in all respects satisfy all applicable requirements of federal tax law and any other requirements imposed upon it by Virginia Housing prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, Virginia Housing is entitled to rely upon representations of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relative to the determination of qualified basis for the development as a whole and/or each building therein individually as well as the amounts and types of credit applicable thereof, but that the issuance of a reservation based on such representation in no way warrants their correctness or compliance with IRC requirements.
8. that Virginia Housing may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may reserve credits, if any, in an amount significantly different from the amount requested.
9. that reservations of credits are not transferable without prior written approval by Virginia Housing at its sole discretion.

V. STATEMENT OF OWNER

10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or Virginia Housing regulations, or other binding authority.
11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
15. that undersigned agrees to provide disclosure to all tenants of the availability of Renter Education provided by Virginia Housing.
16. that undersigned waives the right to pursue a Qualified Contract on this development.
17. that the information in this application may be disseminated to others for purposes of verification or other purposes consistent with the Virginia Freedom of Information Act. However, all information will be maintained, used or disseminated in accordance with the Government Data Collection and Dissemination Practices Act. The undersigned may refuse to supply the information requested, however, such refusal will result in Virginia Housing's inability to process the application. The original or copy of this application may be retained by Virginia Housing, even if tax credits are not allocated to the undersigned.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Owner:

ECG Rady, LP

By Its Managing Member By Its Member

By:

Its:



Managing Member C. Hunter Nelson

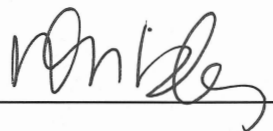
(Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Architect:	<u>Robin Melinda Bellerby</u>
Virginia License#:	<u>0401 019686</u>
Architecture Firm or Company:	<u>Humphreys & Partners Architects</u>

By:	
Its:	<u>Chief Architecture Officer</u>
	(Title)

Initials by Architect are also required on the following Tabs: Enhancement, Special Housing Needs and Unit Details.

V. Previous Participation Certification

Development Name: Rady Flats**Name of Applicant (entity):** ECG Rady, LP

The undersigned, being duly authorized to sign on behalf of the Applicant, provide this Certification with the understanding that Virginia Housing intends to rely upon the statements made herein for the purpose of awarding and allocating federal low-income housing tax credits.

The following terms shall be defined as follows *for the purpose of this Certification only* :

- “Principal” has the same meaning as defined within the QAP, but as applied to each specific property referenced within this Certification, it excludes individuals and entities whose ownership interest is solely vested in limited partnership interests of the ownership entity.
- “Participant” means all Principals of the Owner who are required to be individually listed within **the organizational chart attached hereto**.

1. All the statements made within this Certification are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained within the organizational charts and any statements attached to this Certification, and I will immediately alert Virginia Housing should I become aware of any information prior to the application deadline which may render my statements herein false or misleading.

2. During any time within the past ten (10) years that any of the Participants were Principals in any multifamily rental property, no mortgagee of any such property declared a default under its mortgage loan or assigned it to the mortgage insurer (governmental or private); no such property was foreclosed upon or dispossessed pursuant to a deed-in-lieu of foreclosure; and no such property received mortgage relief from the mortgagee. For purposes of this statement, "declared a default" refers only to final notices of default issued after the exhaustion of all applicable notice and cure rights.

3. During any time within the last ten (10) years that any of the Participants were a Principal in an owner of multifamily rental property, no such owner was determined to have breached any agreement related to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership or limited liability company. For the purposes of this statement, "determined to have breached" refers only to determinations made by an independent third-party arbiter or court of law following the expiration of all applicable notice and cure periods and excludes default judgments that have been fully satisfied.

4. No Participant listed in this Certification has been required to turn control of a property over to an investor or been otherwise involuntarily removed as a general partner from the ownership of a multifamily rental property within the past ten (10) years.

5. There are no unresolved material findings of noncompliance resulting from any audits, management reviews, or other governmental investigations performed by (or on behalf of) any state or federal entity, concerning any multifamily rental property in which any of the Participants were Principals at the time of such finding. For the purposes of this statement, a finding is considered resolved if either (a) the state or federal entity issuing the finding has determined that no further action is required to remedy the finding; or (b) the Participant (or entity in which it is a Principal) has entered into a binding agreement with the applicable state or federal entity to address such finding(s) and the Applicant has included with this Certification a copy of such agreement accompanied by a written statement from the state or federal entity verifying that such agreement is not in default and is reasonably expected to be satisfied within (90) days. Any such statement must be addressed to Virginia Housing and dated no more than thirty (30) days prior to submission of the Application.

6. During the past ten (10) years, no Participants were Principals in any multifamily rental property for which payments under any state or federal assistance contract were suspended or terminated. For the purposes of this statement, suspensions and terminations do not include those caused solely by actions or inactions of the state or federal agency, like funding shortages, technical issues, or administrative delays, where the Principals were not at fault.

7. None of the Participants have been convicted of a felony and none are presently the subject of a complaint of indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less.

8. No Participant has been suspended, debarred, or otherwise restricted by any federal or state entity from participating in housing programs administered by such entity due to programmatic noncompliance on the part of either the Participant or an entity in which the Participant was a Principal.

9. During the past ten (10) years, (a) no Participant has been the subject of a claim under an employee fidelity bond; and (b) while any Participant was a Principal in an owner of multifamily rental property, no Participant or such related owner defaulted on any obligation secured by a letter of credit or surety or performance bond. For the purposes of this statement, "defaulted" refers only to events where funds were paid by the issuer of a letter of credit or surety or performance bond.

10. No Participant is a Virginia Housing employee or a member of the immediate household of any Virginia Housing employee.

11. No Participant currently holds an ownership interest in a multifamily rental property where construction has stopped for more than 20 consecutive days, unless the stoppage:

- (a) resulted from events beyond the reasonable control of the property owner that also caused similar delays in comparable projects in the surrounding area (e.g. natural disasters, labor strikes, pandemics, or government-imposed work stoppages); or
- (b) solely involves work neither contractually required as a condition of tax credit allocation nor required prior to placing in service all residential buildings within such project.

Additionally, no Participant currently holds an ownership interest in a multifamily rental property assisted by a federal or state governmental entity and that has been substantially complete for more than 90 days without the required closing documents (such as the final cost certification) being filed, unless the delay is solely attributable to the governmental entity and not to the property owner or its agents.

12. No court of competent jurisdiction or other federal or state governmental entity has found any Participant to be in violation of any applicable civil rights, fair housing, or equal employment opportunity laws or regulations.

13. During the past ten (10) years, no Participant was a Principal in any multifamily rental property found by a court of competent jurisdiction or other federal or state governmental entity to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended (this statement does not refer to 8823s deemed corrected by the issuing agency).

14. No Participants are currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).

15. No Participant has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion and failure to certify, I have attached the following, which if not provided will automatically disqualify this Application from consideration:

- A. Supporting documentation sufficient to both outline the relevant facts and circumstances that necessitated each deletion and to explain why such deletion(s) should not result in disqualification; and
- B. A draft of Virginia Housing's form Right of First Refusal, which the Applicant commits to properly execute and record as a condition of any reservation or allocation of low-income housing tax credits made with regard to the Development named above.

Any material misrepresentations or omissions made on this form are grounds for rejection of this Application, forfeiture of any credits awarded with connection with this Application, and prohibition against the submission of future applications.



Signature

C.Hunter Nelson

Printed Name

1/13/2026

Date (no more than 30 days prior to submission of the Application)

W.

LIHTC SELF SCORE SHEET**Self Scoring Process**

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by Virginia Housing's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Items 5f and 5g require a numeric value to be entered.

Please remember that this score is only an estimate. Virginia Housing reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

- a. Signed, completed application with attached tabs in PDF format
- b. Active Excel copy of application
- c. Partnership agreement
- d. SCC Certification
- e. Previous participation form
- f. Site control document
- g. RESNET Certification
- h. Attorney's opinion
- i. Nonprofit questionnaire (if applicable)
- j. Appraisal
- k. Zoning document
- l. Universal Design Plans
- m. List of LIHTC Developments (Schedule A)

Included**Score**

Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y, N, N/A	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0

Total:

0.00**1. READINESS:**

- a. Virginia Housing notification letter to CEO (via Locality Notification Information App)
- b. Local CEO Opposition Letter
- c. Plan of development
- d. Location in a revitalization area based on Qualified Census Tract
- e. Location in a revitalization area with resolution or by locality
- f. Location in a Opportunity Zone
- g. Location in a Medium to High level Economic Development Jurisdiction
- h. Location on land owned by Tribal Nation

Y	0 or -50	0.00
N	0 or -25	0.00
N	0 to 10	0.00
Y	0 or 10	10.00
N	0 or 15	0.00
N	0 or 15	0.00
N	0 or 5	0.00
N	0 or 15	0.00

Total:

10.00**2. HOUSING NEEDS CHARACTERISTICS:**

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy in Northern Virginia or New Construction pool
- f. Census tract with <12% poverty rate
- g. Development provided priority letter from Rural Development
- h. Dev. located in area with increasing rent burdened population

N	0 or up to 5	0.00
N	0 or 20	0.00
0.00%	Up to 60	0.00
Y	0 or 5	5.00
N	up to 40	0.00
0%	0, 20, 25 or 30	0.00
N	0 or 15	0.00
Y	Up to 20	20.00

Total:

25.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			40.00
b. <removed for 2026>			0.00
c. HUD 504 accessibility for 10% of units	Y	0 or 20	20.00
d. Proximity to public transportation	N	0, 10 or 20	0.00
e. Development will be Green Certified	Y	0 or 10	10.00
f. Units constructed to meet Virginia Housing's Universal Design standards	10%	Up to 15	1.51
g. Developments with less than 100 low income units	N	up to 20	0.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
i. Meets Target Population Development Characteristics	N	0 or 10	0.00
Total:			71.51

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$113,500	\$78,100

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	58.33%	Up to 15	15.00
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units in Higher Income Jurisdictions with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units in Higher Income Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			30.00

5. SPONSOR CHARACTERISTICS:

a. <QAP change - removed for 2026 cycle>	N		0.00
b. Veteran Small Business Principal owner 25% or greater	N	0 or 30	0.00
c. Developer experience - uncorrected life threatening hazard	N	0 or -50	0.00
d. Developer experience - noncompliance	N	0 or -15	0.00
e. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	0.00
f. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per item	0.00
g. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
h. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
i. Developer experience - more than 2 requests for Final Inspection	0	0 or -5 per item	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			0.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 100	44.65
Total:			44.65

7. BONUS POINTS:

a. Extended Use Restriction beyond 15 year compliance period	35 Years	40 or 70	70.00
or b. Nonprofit or LHA purchase option/ ROFR	N	0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	10 or 15	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
f. Team member with Veteran Owned Small Business Certification	N	up to 10	0.00
g. Commitment to electronic payment of fees	Y	0 or 5	5.00
h. Zero Ready or Passive House certification from prior allocation	N	0 or 20	0.00
Total:			75.00

300 Point Threshold - all 9% Tax Credits
 200 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: 256.16

Enhancements:

All units have:

	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	40	28.00
c. LED Kitchen Light Fixtures	2	2.00
d. Cooking surfaces equipped with fire suppression features	2	2.00
e. Bath Fan - Delayed timer or continuous exhaust	3	3.00
f. Baths equipped with humidistat	3	0.00
g. Watersense labeled faucets, toilets and showerheads (without Green Certification)	3	0.00
h. Rehab only: new infrastructure for high speed internet/broadband	5	0.00
i. Each unit provided free individual high speed internet access	15	0.00
j. USB in kitchen, living room and all bedrooms	1	0.00
k. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
l. Provides Permanently installed dehumidification system	5	0.00
m. All interior doors within units are solid core	3	0.00
n. Installation of Renewable Energy Electric system	10	0.00
o. New Construction: Balcony or patio	4	0.00

 40.00

All elderly units have:

p. Front-control ranges	1	0.00
q. Independent/suppl. heat source	1	0.00
r. Two eye viewers	1	0.00
s. Shelf or Ledge at entrance within interior hallway	2	0.00
		0.00

Total amenities: 40.00

Development Summary

2026 Low-Income Housing Tax Credit Application For Reservation

Cycle Type:	4% Tax Exempt Bonds Credits	Requested Credit Amount:	\$4,324,069
Allocation Type:	New Construction	Jurisdiction:	Richmond City
Total Units	288	Population Target:	General
Total LI Units	288		
Project Gross Sq Ft:	377,348.00	Owner Contact:	Hunter Nelson
Green Certified?	TRUE		

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$48,555,741	\$168,596	\$129	\$3,205,924
Grants	\$2,500,000	\$8,681		
Subsidized Funding	\$0	\$0		

Total Development Costs	
Total Improvements	\$84,519,681
Land Acquisition	\$3,700,000
Developer Fee	\$5,000,000
Total Development Costs	\$93,219,681

Proposed Cost Limit/Sq Ft:	\$237
Applicable Cost Limit/Sq Ft:	\$556
Proposed Cost Limit/Unit:	\$310,832
Applicable Cost Limit/Unit:	\$589,015

Unit Breakdown	
# of Eff	0
# of 1BR	36
# of 2BR	84
# of 3BR	120
# of 4+ BR	48
Total Units	288

Expenses		
Category	Total	Per Unit
Administrative	\$597,242	\$2,074
Utilities	\$230,400	\$800
Operating & Maintenance	\$201,600	\$700
Taxes & Insurance	\$353,600	\$1,228
Total Operating Expenses	\$1,382,842	\$4,802
Replacement Reserves	\$86,400	\$300
Total Expenses	\$1,469,242	\$5,102

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	288	288
>60% AMI	0	0
Market	0	0

Income Averaging?	FALSE
Extended Use Restriction?	50

Y. Efficient Use of Resources

If the Combined Max Allowable Credits is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 100 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Using a sliding scale, the credit points would be calculated by the difference between your savings and the desired 60% savings. Your savings divided by the goal of 60% times the max points of 100. In this example, $(40\%/60\%) \times 100$ or 66.67 points.

Tax Exempt Deals are granted a starting point value greater than zero to allow for the nature of these deals.

Combined Max	\$4,328,022
Credit Requested	\$4,324,069
% of Savings	0.09%
Sliding Scale Points	44.65

Tab A:

Partnership or Operating Agreement, including
Org Chart with percentages of ownership interest

Tab A.1

ECG Rady, LP
Operating Agreement

**AGREEMENT OF LIMITED
PARTNERSHIP
ECG RADY, LP
(A Virginia Limited Partnership)**

THIS AGREEMENT OF LIMITED PARTNERSHIP is entered into as of the 16th day of June, 2025 ("the date of this Agreement") by and between ECG RADY GP, LLC, a Tennessee limited liability company, as General Partner, and C. Hunter Nelson, an individual, as Limited Partner.

ARTICLE 1
DEFINITIONS

When used in this Agreement, the following terms shall have the meanings set forth below:

1.1 "Act" means the Virginia Revised Uniform Limited Partnership Act, Title 50, Chapter 2.1, Code of Virginia.

1.2 "Adjusted Capital Account Balance" means the balance in any Partner's Capital Account, reduced as of the end of each year, for all reasonably expected: **(i)** allocations of loss and deduction pursuant to Sections 704(c), 704(e)(2), 706(d) and 751(b) of the Code; and **(ii)** distributions to be made to such Partner.

1.3 "Affordable Units" means those Units in the Project to be occupied by low/moderate income tenants qualifying for occupancy pursuant to All Applicable Governmental Requirements.

1.4 "Agreement" means this Agreement of Limited Partnership as from time to time amended pursuant to Article 10 of this Agreement.

1.5 "All Applicable Governmental Requirements" means all requirements of any governmental entity, including without limitation HUD, VHDA, the IRS, and/or PRHA, related to the construction of the Project and/or the occupancy of the Units, including without limitation related to the LIHTC and/or HAP.

1.6 INTENTIONALLY OMITTED

1.7 INTENTIONALLY OMITTED

1.8 "Approval of the Limited Partners" means the written approval of those Limited Partners who, at the time the Partnership action is being considered for approval, have at least 75% of the Percentage Interests of all the Limited Partners

1.9 "Capital Contribution" means, as to any Partner, the sum of (a) the Partner's Initial Capital Contribution payments actually made plus (b) the Partner's Optional Capital Contribution, if any. "Initial Capital Contribution" means, as to any Partner, the amount set forth opposite the Partner's name under "Initial Capital Contribution" as described in Exhibit "B" attached hereto and made a part hereof for all purposes. "Optional Capital Contribution" means, as to any Partner, the amount, if any, contributed by the Partner to the Partnership pursuant to Section 3.2.

1.10 "Code" means the Internal Revenue Code of 1986, as amended.

1.11 "General Partner" means ECG RADY GP, LLC, a Tennessee limited liability company, together with any other person or entity who becomes a general partner of the Partnership pursuant to this Agreement.

1.12 "HUD" means the United State Department of Housing and Urban Development.

1.13 "Interest Units" means the increments of limited partnership interest to be owned by those Limited Partners who make the Initial Capital Contributions described in Section 3.1 below. After the Partnership's receipt of the Limited Partners' Initial Capital Contributions, the Limited Partner herein shall own 99 out of 99 total Interest Units and have a combined Percentage Interest of 99.99% of the Partnership.

1.14 "IRS" means the United States Internal Revenue Service.

1.15 "Land" means that certain real property located in Portsmouth, Virginia, owned by PRHA, upon which the Project will be constructed, which Land is more particularly described on Exhibit "A" attached hereto and made a part of for all purposes.

1.16 "Lender" means PRHA or any other permanent or construction lender for the Project.

1.17 "LIHTC" means that allocation of Low Income Housing Tax Credits to be obtained from VHDA for syndication to obtain equity financing for the Project.

1.18 "Limited Partner" means C. Hunter Nelson, and additionally, those persons who are admitted in accordance with the terms of Article 9 hereof (but such additional persons shall become Limited Partners only upon their having been formally admitted under the terms hereof). Such term shall also include those persons who become a Substituted Limited Partner pursuant to this Agreement.

1.19 "Majority in Interest of the Partners" means Partners owning in the aggregate more than fifty percent (50%) in Percentage Interests (not in number) of the Interest Units.

1.20 "Market Rate Units" means the Units in the Project (if any) which are not reserved for occupancy by low/moderate income tenants.

1.21 INTENTIONALLY OMITTED

1.22 "Partners" means the General Partner and the Limited Partners, collectively.

1.23 "Partnership" means the limited partnership formed pursuant to this Agreement.

1.24 "Percentage Interest" means each Partner's beneficial ownership interest in the Partnership as set forth in Section 4.1.

1.25 Intentionally Omitted.

1.26 "Project" means the residential housing intended to be constructed on the Land, which housing shall include approximately ____ Affordable Units. The Project is to be known as Rady Apartments.

1.27 INTENTIONALLY OMITTED

1.28 "Substituted Limited Partner" means a person who is admitted to the Partnership by the General Partner according to Section 9.2 hereof.

1.29 "Units" means the apartment units in the Project.

1.30 "VHDA" means the Virginia Housing Development Authority.

ARTICLE 2 **FORMATION**

2.1 Formation. Upon the terms and conditions set forth herein, the Partners do hereby form a limited partnership pursuant to the provisions of the Act. The General Partner shall promptly file a short form Certificate of Limited Partnership in accordance with the Act. Except as provided herein, the Act shall govern the rights and liabilities of the Partners.

2.2 Name. The name of the Partnership is ECG Rady, LP, and all business of the Partnership shall be conducted under such name. The General Partner shall promptly execute and file a short form certificate of limited partnership and all assumed name certificates, as may be required by state and local law.

2.3 Term. The term of the Partnership shall commence on the date of this Agreement and shall continue until June 16, 2123, unless sooner terminated pursuant to Article 11 herein.

2.4 Purposes. The principal business of the Partnership is to lease the Land and all improvements thereon from PRHA for the purpose of constructing, maintaining, operating, leasing, disposing of and otherwise dealing with the Project, including the Affordable Units and the Market Rate Units (if any), in accordance with any applicable regulations and the provisions of this Agreement, and including, without limitation, All Applicable Governmental Requirements. The Partnership shall not engage in any other business or activity.

2.5 Principal Place of Business. The principal place of business of the Partnership and the address where records are kept for inspection is 1030 16th Avenue South, Suite 500, Nashville, Tennessee 37212. The General Partner may designate other places to be used as additional Partnership offices for the purpose of carrying on the business of the Partnership.

2.6 Address of General Partner. The address of the General Partner is 1030 16th Avenue South, Suite 500, Nashville, Tennessee 37212.

2.7 Address of Limited Partner. The address of the Limited Partner is 1030 16th Avenue South, Suite 500, Nashville, Tennessee 37212.

2.8 Registered Office and Agent. The registered office address of the Partnership in Virginia is 4701 Cox Rd., Suite 285, Glen Allen, VA 23060-6808, and the registered agent for service of process at such address is Business Filings Incorporated.

ARTICLE 3 **CAPITALIZATION AND USE OF** **PROCEEDS**

3.1 Initial Capital Contributions. Each Partner shall contribute in cash to the capital of the Partnership such Partner's Initial Capital Contribution.

3.2 Optional Capital Contributions. Each Partner may, but shall not be obligated to, contribute to the capital of the Partnership, additional Capital Contributions ("Optional Capital Contribution") in such amounts as are necessary for the continued operation of the Partnership, as determined by the General Partner after Approval of the Limited Partners. A capital call will be made if the General Partner and 75% of the Limited Partners approve. Any Limited Partners that do not participate in the capital call will forfeit any future profits.

3.3 No Further Contributions or Loans. The liability of a General or Limited Partner to the Partnership is limited to the amount of its Capital Contribution. Accordingly, the contributions called for in Section 3.1 are the only funds a Partner is required to furnish to the Partnership, whether by way of contribution, loan or otherwise. The option of the Partners to make Optional Capital Contributions under Section 3.2 above is solely for the benefit of the Partnership and the Partners and is not intended to create any rights in any third parties.

3.4 Capital Account. A capital account complying with the Special Allocation Regulations shall be established for each Partner. A Partner's capital account shall:

(a) be credited with (i) the amount of money contributed by the Partner; (ii) the fair market value of property contributed by the Partner (net of liabilities encumbering the contributed property that the Partnership is considered to have assumed or taken subject to Section 752 of the Code); and (iii) the Partner's share of income and gain (or items thereof) as specified in Article 4; and

(b) be debited with (i) the amount of money distributed to the Partner; (ii) the fair market value of property distributed to the Partner; (iii) the fair market value of property distributed to the Partner (net of liabilities encumbering the distributed property that the Partner is considered to have or taken subject to Section 752 of the Code); (iv) the Partner's distributive share of Partnership expenditures described in Section 705(a)(2)(B) of the Code; and (v) the Partner's share of loss and deduction (or items thereof), then expenditures described in Section 705(a)(2)(B) of the Code, as specified in Article 4.

3.5 Use of Proceeds. The proceeds from the Capital Contributions shall be used to invest in the Project, and for general liquidity and working capital needs of the Partnership.

ARTICLE 4 **ALLOCATIONS**

4.1 General. Each item of Partnership income, gain, losses, deductions and credits (including nonrecourse deductions, items of income exempt from federal income tax, and expenditures not deductible in computing taxable income) shall be allocated to each Partner according to such Partner's Percentage Interest. The Percentage Interests of the Partners are presently as follows:

General Partner:	One Hundredth of One Percent (.01%)
Limited Partners:	Ninety-Nine and Ninety-Nine Hundredths Percent (99.99%)

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions.

(a) Except as hereinafter provided, and expressly subject to All Applicable Governmental Requirements, after completion of development of the Project, all Partnership cash (including the Capital Contributions of the Limited Partners) not required for Partnership obligations, operations or other expenses shall be distributed not less than annually (and, if annually, within 45 days after the end of each calendar year) as follows:

(i) To the extent of principal and interest then due and owing on debt payable from cash flow, available cash shall be used to pay said principal and interest obligations.

(ii) Available cash shall be distributed to any Partner who has made a Partner Loan under Section 5.2 below until such time as all principal and accrued and unpaid interest has been paid in full; and

(iii) Then, all available cash shall be distributed among the Partners pro-rata in accordance with their respective Percentage Interest.

(b) Subject to All Applicable Governmental Requirements, all cash derived by the Partnership (directly or indirectly, through a partnership or joint venture, or other entity) from the sale, exchange, abandonment, foreclosure or other disposition (other than by lease in the ordinary course of business) of the Project shall be distributed to the Partners as soon as reasonably practicable following the receipt of same by the Partnership, and after the payment of all debts and liabilities of the Partnership (including "soft" debt payable from cash flow) (other than Partner Loans) related to the Project and all expenses incurred in selling the Project. All such distributions to the Partners shall be made as follows:

First, all available cash shall be distributed to any Partner who has made a Partner Loan until such time as all principal and accrued and unpaid interest has been paid in full; and

Second, all available cash shall be distributed among the Partners pro rata in accordance with their respective Percentage Interest.

5.2 Partner Loans. If the Partnership needs funds in addition to the capital contributions and cash flow from the Project, any Partner shall have the right (but not the obligation) to loan funds to the Partnership (herein called a "Partner Loan"). If any

Partner makes a Partner Loan to the Partnership under the terms of this Section 5.2, such loan shall bear interest from the date such advance or payment was made until such loan is repaid at a floating rate per annum equal to the lesser of (i) two percent (2%) over the prime rate then being charged by the bank in which the Partnership maintains its primary bank account, or (ii) the highest interest rate allowed by the law of the Commonwealth of Virginia.

ARTICLE 6
BANK ACCOUNTS, BOOKS OF ACCOUNT, REPORTS &
FISCAL YEAR

6.1 Bank Account Investments. The Partnership shall establish one or more bank accounts into which Partnership funds shall be deposited. No other funds shall be deposited into these accounts. Funds deposited in the Partnership's bank accounts may be withdrawn only to pay Partnership debts and obligations or to be distributed to the Partners in this Agreement.

6.2 Books and Records. The Partnership shall cause complete and accurate books of account and records relative to the Partnership's business to be kept. The books shall be prepared in accordance with federal income tax principles, consistently applied, utilizing the cash or accrual method of accounting.

6.3 Annual Rents. No less than once each calendar year, the Partnership shall furnish to each Partner unaudited financial statements of the Partnership.

6.4 Determination of Profit and Loss. All items of Partnership income, expense, gain, loss, deduction and credit shall be determined with respect to, and allocated in accordance with, this Agreement for each Partner for each Partnership fiscal year. Within ninety (90) days after the end of each Partnership fiscal year, the Partnership shall cause to be prepared and furnished to each Limited Partner, at Partnership's expense, a balance sheet of the Partnership (dated as of the end of the fiscal year then ended), a related statement of income and loss for the Partnership (for the same year) and all other financial information reasonably requested by any Limited Partner.

6.5 Tax Returns and Information. The Partners intend for the Partnership to be treated as a partnership for tax purposes. The General Partner shall make all tax elections and determinations as the General Partner may deem suitable or advisable, and shall prepare or cause to be prepared all federal, state, and local income and other tax returns which the Partnership is required to file, and shall furnish same to the Limited Partners, together with a copy of each Limited Partner's K-1 and any other information which any Limited Partner may reasonably request relating thereto, no later than thirty (30) days prior to the date, computed with regard to permitted extensions, that such returns must be filed without incurring interest or penalty.

6.6 Tax Audits. The General Partner will be treated as the tax matters partner

of the Partnership pursuant to Section 6231(a)(7) of the Code.

6.7 Fiscal Year. The Partnership fiscal year shall be the calendar year.

ARTICLE 7
RIGHTS AND OBLIGATIONS OF THE GENERAL
PARTNER

7.1 Rights of General Partner as Manager. As more fully set forth in Article 7.2 herein, the General Partner shall have the authority to manage the operations and affairs of the Partnership and to make decisions regarding the business of the Partnership, devoting such time and talents to such management as the General Partner may from time to time deem necessary, but otherwise may engage in other similar or dissimilar business endeavors without being expected to account to the Partnership or to offer any business opportunity to the Partnership or any Limited Partner.

7.2 Specific Authority General Partner and Limitations Thereon. The General Partner shall have the power and authority to amend this Agreement of Limited Partnership on behalf of the Partnership, but only upon receipt of prior written Approval of the Limited Partners and, if required, HUD, and/or VHDA.

7.3 Removal of General Partner. The General Partner may be removed upon the Approval of the Limited Partners and upon the acceptance of the duties and responsibilities of the General Partner by a person or entity qualified to act in that capacity upon the occurrence of any of the following events:

- (a) If the General Partner shall voluntarily resign or withdraw;
- (b) If the General Partner is dissolved; or
- (c) If it is determined by a Court of competent jurisdictions that the General Partner is guilty of fraud with respect to the Partnership or has misappropriated Partnership funds or property, or has materially breached other provisions of this Agreement.

Upon any removal under this Section 7.3, the interest of the General Partner shall be converted to that of a Special Limited Partner. As Special Limited Partner, the removed General Partner shall no longer be entitled to the rights or subject to the obligations set forth in this Article 7 and shall instead be subject to the rights and obligations of Limited Partners as set forth in Article 8. Notwithstanding the foregoing, however, the Special Limited Partner shall continue to be entitled to the allocations and distributions described herein with respect to its interest in the Partnership.

7.4 Indemnification. The Partners shall be indemnified by the Partnership to the fullest extent permitted by the Act from the assets of the Partnership from and against any loss, expense, damage or injury suffered or sustained by the Partners by

reason of any acts, omissions, or alleged acts or omissions, even if such acts or omissions constituted the negligence of the Partners arising out of its activities on behalf of the Partnership or in furtherance of the interests of the Partnership, including, but not related to, any judgment, award, settlement, attorneys' fees and other costs or expenses incurred in connection with the defense of any actual threatened action, proceeding or claim if the acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding, or claim is based were for a purpose reasonably believed by the Partners to be in the best interest of the Partnership and were not performed or omitted fraudulently in bad faith by such indemnified party.

7.5 Other Business Activities of the Partners. Any of the Partners, including the General Partner and the Limited Partners, may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including any business ventures that may be in competition with the Partnership, and neither the Partnership nor the Partners shall have, or have the right to acquire, by virtue of this Agreement, any right in and to such venture or to the income or profit derived therefrom.

ARTICLE 8

RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

8.1 Limited Liability. No Limited Partner shall be personally liable for any of the debts of the Partnership or any of the losses thereof beyond the amount contributed by the Limited Partner to Partnership Capital and the share of undistributed profits of the Partnership attributable to such Limited Partner.

8.2 No Management Responsibility. No Limited Partner, as such, shall take part in the management of the business or transact any business for the Partnership. All management responsibility is vested in the General Partner.

8.3 Withdrawal. No Limited Partner shall be entitled to withdraw from the Partnership without the approval of the General Partner.

8.4 Bankruptcy: Death. Neither the bankruptcy, death, disability nor declaration of incompetence of a Limited Partner shall dissolve the Partnership, but the rights of a Limited Partner to share in the profits and losses of the Partnership and to receive distributions of the Partnership funds shall, on the happening of such an event, devolve upon the Limited Partner's estate, legal representative or successors in interest, as the case may be, subject to this Agreement and the Partnership shall continue as a limited partnership. The Limited Partner's estate, representative or successors in interest shall be liable for all of the obligations of the Limited Partner. In no event shall the estate, representative or successors in interest become a substituted limited partner, except in accordance with Article 9.

ARTICLE 9

TRANSFER OF RIGHTS

9.1 Transfers by Limited Partners. A Limited Partner may sell, assign or otherwise transfer all or any portion of his/her Percentage Interest in the Partnership without the prior written consent of the General Partner if such sale, assignment, or other transfer is pursuant to an effective registration statement under all applicable federal and state securities laws or if the transaction is exempt from registration under such laws. No transferee of a Partnership interest shall become a Substituted Limited Partner except as provided in Section 9.2 below. Any Limited Partner who sells, assigns or otherwise transfers all or any portion of his/her interest in the Partnership shall promptly notify the General Partner of such transfer and furnish the General Partner with the name and address of the transferee and such other information as might be required under Section 6050K of the Code and the Treasury regulations thereunder.

9.2 Substituted Limited Partner. Upon the Approval of the Limited Partners, the General Partner shall admit a transferee of the Interest Units of a Limited Partner as a Substituted Limited Partner in the Partnership. Any transferee who desires to become a Substituted Limited Partner shall (a) deliver to the General Partner an opinion of counsel that the proposed transfer complies with all applicable law, (b) execute a written acceptance and adoption of the provisions of this Agreement and a written assumption of the obligations of its transferor; and (c) pay all expenses incurred by the Partnership in connection with such transfer and admission, including the cost of preparing and filing an amendment to the Certificate, if required, and such expenses shall not be deemed Capital Contributions by the Substituted Partners. The Partnership shall continue with the same basis and capital account for the Substituted Limited Partner as was attributable to his/her transferor. The name, address and Percentage Interest of the Substituted Limited Partner shall be duly noted on the records of the General Partner.

9.3 Rights of Transferee. Unless and until any assignee, transferee, heir or legatee becomes a Substituted Limited Partner (in accordance with Section 9.2 above), his/her status and rights shall be limited to the rights of an assignee of a limited partnership interest under Article 7 of the Act.

9.4 Transfer by General Partner. Except as otherwise provided herein, the General Partner may not sell, assign, hypothecate, or otherwise transfer (except for any transfer to a wholly owned subsidiary of the General Partner), voluntarily or by operation of law, all or any portion of its rights, titles or interest as General Partner in the Partnership without approval of a Majority in Interest of the Partners, which any Partner may, in its sole discretion, grant or deny. The Limited Partners will be excused from accepting the performance of and rendering performance to any other person as General Partner hereunder (including any trustee or assignee of or from the General Partner) as to whom such prior written consent has not been rendered. Notwithstanding the foregoing, the General Partner may make an assignment of its interest as General Partner which vests in

the assignee the rights of an assignee under the Act, and which does not result in a change or substitution of the General Partner.

ARTICLE 10
AMENDMENT OF LIMITED PARTNERSHIP AGREEMENT;
MEETINGS

10.1 Amendments. Upon the Approval of the Limited Partners and the General Partner, the General Partner shall amend any provisions of this Agreement, and execute whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership or the location of the principal place of business of the Partnership;

(b) the admission of Substituted Limited Partners in accordance with the terms of Article 9 hereof, including a Substituted Limited Partner who has acquired less than 100% of the Limited Partner's Interest Units and Percentage Interest;

(c) a change which is necessary to qualify the Partnership as a limited partnership under the laws of any state or which is necessary and advisable to ensure that the Partnership will not be treated as an association taxable as a corporation for federal income tax purposes;

(d) a change which is required to further the financing for the Project, including without limitation the LIHTC financing; or

(e) any other amendments similar to the foregoing.

10.2 Other Amendments. Amendments to this Agreement other than those described in Section 10.1, including any provisions hereof relating to operation of the Project in compliance with All Applicable Governmental Requirements may, with the prior written approval of any applicable governmental entity (including without limitation HUD or VHDA) (if said approval is required), be adopted by the affirmative vote of the General Partner and a Majority in Interest of the Partners. The General Partner may seek the written vote of the Limited Partners or may call a meeting. Without limitation, the Partners agree that this Agreement shall be amended in all respects necessary to comply with any requirement of HUD or VHDA.

10.3 Certain Amendments not Allowable. Unless otherwise approved by the General Partner, no amendment to this Agreement shall be permitted if the effect of same would be to increase the duties or liabilities of the General Partner.

10.4 Meetings of the Partners. Meetings of the Partners to vote upon any matters on which the Limited Partners are authorized to take action under this Agreement may be called by the General Partner, or by written request of Limited

Partners holding not less than 30% of the total Percentage Interest in the Partnership. The notice will state the nature of the business to be transacted and the meeting will be held at the offices of the General Partner not less than 10 or more than 60 days from the date of the notice. Limited Partners may vote in person or by proxy at any such meetings. Action may be taken without a meeting provided that the General Partner and/or the Limited Partners owning the requisite Percentage Interest in the Partnership sign written authorizations approving such action.

ARTICLE 11 **DISSOLUTION**

11.1 Causes. Each Partner expressly waives any right which it might otherwise have to dissolve the Partnership except as set forth in this Article 11. Upon the happening of the first to occur of the following events, the Partnership shall be dissolved:

- (a) the bankruptcy or removal of the General Partner, or any other occurrence which would legally disqualify the General Partner from acting hereunder;
- (b) the retirement, resignation or withdrawal from the Partnership by the General Partner;
- (c) the execution by the General Partner and those Limited Partners who own at least 75% of the Percentage Interests of all of the Limited Partners of an instrument dissolving the Partnership;
- (d) the Partnership ceases to maintain any interest (which term shall include, without limitation, an interest as lienholder or secured party) in the Project;
- (e) the occurrence of any other circumstance which, by law, would require that the Partnership to be dissolved; or
- (f) the expiration of the stated term of the Partnership.

Nothing contained in this Section 11.1 is intended to grant to any Partner the right to dissolve the Partnership at will (by retirement, resignation, withdrawal, or otherwise), or to exonerate any Partner from liability to the Partnership and the remaining Partners if it dissolves the Partnership at will. Any dissolution at will of the Partnership, including dissolution caused pursuant to Section 11.1(b), shall be in contravention of this Agreement for purposes of the Act. Dissolution of the Partnership under Section 11.1(c) shall not constitute dissolution at will.

11.2 Reconstitution. If the Partnership is dissolved as a result of an event described in Section 11.1 (a) or (b), the Partnership may be reconstituted and its business continued if, within 90 days after the date of dissolution, those Limited Partners who own at least 67% of the Partnership Interests of all of the Limited Partners affirmatively elect to reconstitute the Partnership, agree on the identity of the new general partner or partners and execute an instrument confirming such facts. If the Partnership is reconstituted, an amendment to this Agreement shall be executed and filed of record.

11.3 Interim Manager. If the Partnership is dissolved as a result of an event described in Section 11.1 (a) or (b), those Limited Partners who own at least 67% of the Partnership Interest of all of the Limited Partners may appoint an interim manager of the Partnership, who shall have and may exercise only the rights, powers and duties of a general partner necessary to preserve the Partnership assets, until (a) the new general partner is elected pursuant to Section 11.2, if the Partnership is reconstituted or (b) a Liquidator is appointed pursuant to applicable law, if the Partnership is not reconstituted. The interim manager shall not be liable as a general partner to the Limited Partners and shall, while acting in the capacity as interim manager on behalf of the Partnership, be entitled to the same indemnification rights as are set forth in Section 7.4.

ARTICLE 12

MISCELLANEOUS PROVISIONS

12.1 Entire Contract. This Agreement and the Certificate of Limited Partnership filed with the State Corporation Commission of the Commonwealth of Virginia shall constitute the entire contract between the parties, and there are no other agreements outstanding which are not specifically mentioned herein; provided, however, that the parties may by agreement amend and supplement this Agreement from time to time.

12.2 Notices. Notices hereunder shall be in writing and shall be deemed to be delivered when placed in the United States mail if properly addressed to the last known address of the addressee hereunder, and sent by registered or certified mail. Until further notice, addresses are shown in Article 2 hereof.

12.3 Intentionally Omitted.

12.4 Place of Contract. This Agreement shall be construed and enforced according to the laws of the Commonwealth of Virginia and the courts of that state, except as may otherwise be required by the laws of any other jurisdiction.

12.5 Execution in Counterparts. This Agreement may be executed in multiple counterparts (and signatures evidenced on facsimile transmitted documents shall be deemed originals for purposes of execution and delivery), each to constitute an original,

but all in the aggregate to constitute one agreement, as executed, and to be binding upon and inure to the benefit of the parties hereto, their heirs, representatives, successors, and assigns.

12.6 Intentionally Omitted.

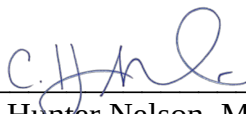
12.7 Relationship of Partnership with HUD. Nothing contained in this Partnership Agreement or any agreement between VHDA and the Partnership, nor any act of HUD, shall be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and VHDA as provided under the terms any applicable agreement.

[Signatures of Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:

ECG RADY GP, LLC

By: 
C. Hunter Nelson, Managing Member

LIMITED PARTNER:

By: 
C. Hunter Nelson

EXHIBIT "A"

INITIAL CAPITAL CONTRIBUTION

ECG RADY GP, LLC	\$ 1.00
C. Hunter Nelson	\$ 99.00

Tab A.2

ECG Rady Developer, LLC
Operating Agreement

**OPERATING AGREEMENT
OF
ECG RADY DEVELOPER, LLC**

THIS OPERATING AGREEMENT OF ECG RADY DEVELOPER, LLC, a limited liability company organized pursuant to the Tennessee Revised Limited Liability Company Act, shall be effective as of June 13, 2025, by and among the Persons executing this Operating Agreement as Members.

**ARTICLE I.
DEFINITIONS**

The following terms used in this Operating Agreement shall have the following meanings unless otherwise expressly provided herein:

Section 1.01 “*Act*” means the Tennessee Revised Limited Liability Company Act, Tenn. Code Ann. § 48-249-101, *et seq.*, as amended from time to time, and any successor thereto.

Section 1.02 “*Affiliate*” means, with respect to any Person, (a) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (b) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (c) any member, manager, officer, director or general partner of such Person, or (d) any Person who is a member, manager, officer, director, general partner, trustee, or a holder of ten percent (10%) or more of the voting interests of any Person described in clauses (a) through (c) of this sentence. For purposes of this definition, the term “controls,” “is controlled by,” or “is under common control with” means the possession, direct or indirect, of the power to direct or cause the direction of the management policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

Section 1.03 “*Articles*” means the Articles of Organization of the Company, as amended from time to time.

Section 1.04 “*Capital Account*” means the account maintained with respect to a Member determined in accordance with Article VI.

Section 1.05 “*Capital Contribution*” means any contribution of Property or services or the obligation to contribute Property or services made by or on behalf of a Member.

Section 1.06 “*Code*” means the Internal Revenue Code of 1986, as amended, or any successor thereto.

Section 1.07 “*Company*” means ECG Rady Developer, LLC, a Tennessee limited liability company.

Section 1.08 “*Company Minimum Gain*” means an amount determined by first computing for each Company Nonrecourse Liability any gain the Company would realize if it Transferred the Company Property subject to that liability for no consideration other than full

satisfaction of the liability, and then aggregating the separately computed gains. The amount of Company Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any Taxable Year, the net increase or decrease in Company Minimum Gain is determined by comparing the Company Minimum Gain on the last day of the immediately preceding Taxable Year with the Company Minimum Gain on the last day of the current Taxable Year. Notwithstanding any provision to the contrary contained herein, Company Minimum Gain, and increases and decreases in Company Minimum Gain, are intended to be computed in accordance with Section 704 of the Code and the Regulations issued thereunder, as the same may be issued and interpreted from time to time.

Section 1.09 “*Company Nonrecourse Liability*” means any debt or obligation of the Company to the extent that no Member or Related Person bears the economic risk of loss (as defined in Section 1.752-2 of the Regulations) with respect to the liability.

Section 1.10 “*Company Property*” means any Property owned by the Company.

Section 1.11 “*Distribution*” means a transfer of Property made by the Company to a Member on account of such Member’s Financial Rights as described in Article VII.

Section 1.12 “*Electronic Transmission*” means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient of the communication, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 1.13 “*Entity*” means, whether foreign or domestic and whether for profit or not-for-profit, limited liability companies, corporations, unincorporated associations, real estate investment trusts, statutory or business trusts or associations, estates, general partnerships, limited partnerships, registered or unregistered limited liability partnerships, limited liability limited partnerships or similar organizations, trusts, joint ventures, two (2) or more persons having a joint or common economic interest, and local, municipal, state, United States and foreign governments.

Section 1.14 “*Financial Rights*” means a Member’s right to share in Profits and Losses, to share in and receive Distributions, to receive liquidation distributions, to transfer the Financial Rights. The Financial Rights shall be expressed as a percentage, with the initial percentages being set forth on Exhibit A attached hereto.

Section 1.15 “*Governance Rights*” means a Member’s right to vote on one (1) or more matters, all of a Member’s other rights as a member in the Company under this Operating Agreement, the Articles or the Act, other than Financial Rights, and the right to transfer the voting rights. The Governance Rights shall be expressed as a percentage, with the initial percentages being set forth on Exhibit A attached hereto.

Section 1.16 “*Initial Capital Contribution*” means the initial Capital Contribution agreed to be made by the Members as described in Section 6.01 and set forth on Exhibit A.

Section 1.17 “*Majority Vote*” shall mean, with respect to the Members, approved by more than fifty percent (50%) of the Membership Interest entitled to vote.

Section 1.18 “Managing Member” means the Member so designated in Section 4.02 below.

Section 1.19 “Member” means any Person holding Membership Interests.

Section 1.20 “Member Minimum Gain” means an amount determined by first computing for each Member Nonrecourse Liability any gain the Company would realize if it disposed of the Company Property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Member Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any Taxable Year, the net increase or decrease in Member Minimum Gain is determined by comparing the Member Minimum Gain on the last day of the immediately preceding Taxable Year with the Member Minimum Gain on the last day of the current Taxable Year. Notwithstanding any provision to the contrary contained herein, Member Minimum Gain and increases and decreases in Member Minimum Gain are intended to be computed in accordance with Section 704 of the Code and the Regulations issued thereunder, as the same may be issued and interpreted from time to time.

Section 1.21 “Member Nonrecourse Deductions” means the net increase during the Taxable Year, if any, in Member Minimum Gain, reduced (but not below zero) by any distribution of proceeds that are attributable to a Member Nonrecourse Liability and allocable to an increase in such Member Minimum Gain under Section 1.704-2(i) of the Regulations.

Section 1.22 “Member Nonrecourse Liability” means any debt or obligation of the Company to the extent the liability is nonrecourse under state law, and on which a Member or Related Person bears the economic risk of loss under Section 1.752-2 of the Regulations because, for example, the Member or Related Person is the creditor or a guarantor.

Section 1.23 “Membership Interest” means a Member’s interest in the Company, which shall consist of the member’s Financial Rights and Governance Rights.

Section 1.24 “Net Cash Receipts” means the gross cash proceeds from the operation of the Company’s business less the portion thereof designated by the Managing Member as reserves for or to pay the Company’s expenses, debt payments and capital expenditures. “Net Cash Receipts” shall include any new cash proceeds from the disposition of Company Property and from the refinancing of indebtedness of the Company, shall be increased by any reduction of reserves previously established by the Managing Member and shall not be reduced by depreciation, cost recovery, amortization or similar noncash deductions.

Section 1.25 “Notice” means a written communication. Notice to the Company shall be considered given when mailed by first class mail postage prepaid addressed to the Managing Member in care of the Company at the address of the Company’s Principal Executive Office. Notice to a Member shall be considered given when mailed by first class mail postage prepaid addressed to the Member at that Member’s address as reflected in the records of the Company unless the Member has given the Company a Notice of a different address. Notice shall also be considered given as provided in this Operating Agreement and in the Act.

Section 1.26 “*Officers*” means an individual holding one or more of the offices described in Article IV below.

Section 1.27 “*Operating Agreement*” means this Operating Agreement including all amendments hereto adopted in accordance with the term hereof and the Act.

Section 1.28 “*Person*” shall include an individual or any Entity.

Section 1.29 “*Principal Executive Office*” means the principal executive office of the Company designated in Section 2.03.

Section 1.30 “*Profits*” and “*Losses*” mean, for each fiscal year or other allocation period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses hereunder shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses hereunder shall be subtracted from such taxable income or loss;

(c) In the event the value of any Company asset is adjusted pursuant to the Code, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of a Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the fair market value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its fair market value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account depreciation for such fiscal year or other period computed in accordance with the definition of depreciation contained herein;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Sections 734(b) or 743(b) is required by Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision herein, any items, which are specially allocated pursuant to Sections 7.02, 7.03, 7.04 or 7.05 hereof, shall not be taken into account in computing Profits or Losses. The amount of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 7.02, 7.03, 7.04 or 7.05 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (g) of this Section.

Section 1.31 “Property” means any property, whether real, personal or mixed, tangible or intangible, including money and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

Section 1.32 “Regulations” means the permanent, temporary, proposed, or proposed and temporary regulations issued by the Department of the Treasury that are promulgated under the Code as amended.

Section 1.33 “Related Person” means a Person having a relationship to a Member that is described in Section 1.752-4(b) of the Regulations.

Section 1.34 “Securities Acts” means the Securities Act of 1933, the Tennessee securities laws or the securities laws of any other state.

Section 1.35 “Supermajority Vote” shall mean, with respect to the Members, approved by sixty six percent (66%) or more of the Governance Rights entitled to vote.

Section 1.36 “Tax Distributions” has the meaning set forth in Section 7.08.

Section 1.37 “Taxable Year” means the taxable year of the Company as determined pursuant to Section 706 of the Code.

Section 1.38 “Taxing Jurisdiction” means the taxing jurisdiction of the Federal government and of any state, local, or foreign government that collects tax, interest or penalties, however designated, on any Member’s share of the income or gain attributable to the Company.

Section 1.39 “Transfer” means any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including transfers by operation of law) and may be used as a noun or a verb.

ARTICLE II. FORMATION AND BUSINESS OF COMPANY

Section 2.01 Organization. The Members have organized the Company pursuant to the provisions of the Act as a member-managed limited liability company by executing and filing the Articles with the Secretary of State of Tennessee on June 13, 2025. The Company shall be treated as a partnership for state and federal tax purposes.

Section 2.02 Registered Agent and Office. The registered agent for the service of process and the registered office shall be as reflected in the Articles. The Managing Member may change the registered agent or office by authorizing appropriate filings with the Secretary of State.

In the event the registered agent ceases to act as such for any reason or the location of the registered office shall change, the Managing Member shall promptly designate a replacement registered agent or file a Notice of Change of Address as the case may be.

Section 2.03 Principal Executive Office. The Principal Executive Office is located at 1030 16th Ave. S., Suite 500, Nashville, TN 37212. The Company may locate its Principal Executive Office at any other place or places as the Managing Member may from time to time deem advisable, provided that the Articles are amended accordingly.

Section 2.04 Permitted Businesses. The business of the Company shall be the development, ownership, and/or management of a single affordable multifamily housing development currently known as Rady Apartments (the “*Principal Purpose*”), as well as to accomplish any lawful business whatsoever, to exercise all powers necessary to or reasonably connected with the Company’s business which may be legally exercised by limited liability companies under the Act or under the laws of any jurisdiction in which the Company may conduct its business.

Section 2.05 Information Regarding Members. Exhibit A contains the identity of all of the Members, their initial Capital Contributions and their percentage Financial Rights and Governance Rights.

ARTICLE III. MEMBER MEETINGS

Section 3.01 Meetings. Neither regular nor special meetings of the Members shall be required in order to conduct the business and affairs of the Company or take any action with respect thereto; provided, however, that meetings of the Members may be called for any purpose or purposes using the procedures contained in this Article III by any Member.

Section 3.02 Place of Meetings. Member meetings shall be held at the Principal Executive Office or at any other place, within or without the State of Tennessee, as the Members may from time to time elect.

Section 3.03 Notice Requirements. Notice of meetings shall be in writing, unless oral notice is reasonable under the circumstances, and if in writing may be communicated in person, by facsimile, electronic mail or other form of electronic communication. The notice must state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. Notice shall be given to each Member entitled to vote at the meeting. Written notice is effective at the earliest of the following: (a) when received or when delivered to the addressee’s last known principal place of business or residence; (b) five (5) days after its deposit in the mail, as evidenced by the postmark, if mailed with first-class postage prepaid and correctly addressed to a Member at the address shown in the Company’s current records; or (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. Oral notice is effective when communicated if communicated in a comprehensible manner.

Section 3.04 Meetings by Any Form of Communication. Members may participate in a meeting of the Members by means of conference telephone or other communications equipment

by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 3.05 Quorum. Members holding a Majority of the Membership Interests entitled to vote shall constitute a quorum at all meetings of the Members. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any of those present. A meeting may be adjourned despite the absence of a quorum.

Section 3.06 Voting. Whenever any Company action requires authorization by the Members, it shall be taken if authorized by Members holding a Supermajority Vote of the Governance Rights, except as otherwise specified in the Articles or this Operating Agreement.

Section 3.07 Action by Consent. The Members may take any action on which they are entitled to vote by written consent without prior notice and without a vote if a consent or consents in writing setting forth the action to take is signed by Members holding not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote were present and voted. A consent transmitted by Electronic Transmission by a Member (or by a person authorized to act for the Member) shall be deemed to be written and signed for purposes of this subsection. Prompt notice of the taking of action without a meeting by less than unanimous written consent of the Members shall be given to any Member entitled to vote thereon that did not sign such written consent; provided, however, that the failure to give such notice shall not affect the validity of the action taken.

Section 3.08 Proxies. Members who are entitled to vote may vote any meeting either in person or by proxy in writing, which shall be filed with the Managing Member before being voted. Such proxy shall entitle the holders thereof to vote the Membership Interest of the Member granting the proxy at any meeting or any adjournment of such meeting, but shall be valid after the final adjournment thereof. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the Member executing it shall have specified therein the length of time it is to continue in force, which shall be for some limited period.

ARTICLE IV. MANAGEMENT OF THE COMPANY

Section 4.01 Management. The management of the business and affairs of the Company shall be vested collectively in its Members. The Members shall collectively direct, manage and control the business of the Company and may exercise any or all of the powers granted to the Company under the Act, subject to the provisions of this Operating Agreement. Notwithstanding anything in this Operating Agreement to the contrary but subject to the rights of the Members and the Membership approval requirements contained herein, Members holding a Supermajority of the Governance Rights may appoint, from time to time, one or more Officers to carry on the business and affairs of the Company under the terms and conditions as such Members determine, including but not limited to the Officers appointed below.

Section 4.02 Managing Member. Subject to the terms provided herein, the Members hereby delegate to the Managing Member all powers and authorities of management and control of the Company's business. Without limiting the generality of the foregoing, and subject to the

rights of the Members provided herein, the Managing Member shall have the power and authority, as the binding act of the Company, to take all actions on behalf of the Company as may be deemed necessary or desirable by the Managing Member, including but not limited to the acquisition and sale of real and/or personal property, the borrowing of money, the execution and delivery of all contracts and instruments, the payment of all sums, and the performance of any other acts as the Managing Member may determine in his sole discretion. The initial Managing Member shall be C. Hunter Nelson.

Section 4.03 Secretary. The Secretary shall keep the minutes of the meetings of the Members; he shall attend to the giving and serving of notice; he may sign in the name of the Company all contracts and instruments authorized by the Managing Member; he shall have charge of all books or papers as the Members may direct; all of which shall at all reasonable times be open to the examination of any Member, to the extent required by law, upon application at the office of the Company during business hours; he shall authenticate records of the Company; and he shall in addition perform all duties incident to the office of Secretary, subject to the control of the Members. He shall submit such reports to the Members as may be required by them. The initial Secretary shall be Cary Rosenblum.

Section 4.04 Supermajority Required for Major Decisions. Notwithstanding anything in this Article IV to the contrary except Section 4.05 below, Supermajority Vote of the Members shall be required in order to:

- (a) amend the Articles or this Operating Agreement;
- (b) sell a portion of, all, or substantially all, of the Company Property or Company Membership Interest, so long as all proceeds for such sale are distributed to Members in a timely and pro-rata manner (the Members intend and this provision shall be construed as a “drag along” clause such that a non-Supermajority Member(s) may not interfere with the partial sale or sale of all Company Property or Membership Interests.);
- (c) dispose of all, or substantially all, of the Company Property in or as part of a single transaction or plan; or
- (d) the dissolution of the Company as set forth in § 48-249-601, *et seq.* of the Act

Section 4.05 Unanimous Consent Required to Preserve Membership Interests. The following decisions require the unanimous written approval of all Governance Rights:

- (a) Any use of Company revenue, income, or Company Property (including use of such Company revenue, income or Company Property as collateral or liquidity to obtain financing) other than for the Principal Purpose provided in Section 2.4;
- (b) Loan, sell or convey an interest in Company Property to, or borrow money from, any Member, Managing Member, immediate family member of any Member or Managing Member, or any entity owned or controlled in whole or part (either before or after such transaction) by any Member, Managing Member, or immediate family member of any

Member or Managing Member (the foregoing shall also include former Members and Managing Members); or

(c) Amend Sections 1.35 (Supermajority Vote), 2.04 (Permitted Businesses), 4.04 (Supermajority Required for Major Decisions), 4.05 (Unanimous Consent Required to Preserve Membership Interests), 6.02 (Additional Capital Contributions), 6.03 (Priority and Return of Capital), 9.01 (Limitations on Transfers of Membership Interests), 9.03 (Rights of First Refusal), 9.04 (Admission of Additional Members), 9.07 (No Separation of Financial Rights and Governance Rights), or 12.01 (Conflicts of Interest); or

(d) Add or revise any provision in a way that conflicts with any of the Sections identified in Section 4.05(c).

Except as expressly provided in this Operating Agreement, a Membership Interest may not be reduced, diluted, transferred, or terminated without such Member's prior written consent.

ARTICLE V. PROPERTY, ACCOUNTS AND RECORDS

Section 5.01 Property. Any and all Company Property shall be held in the name of the Company.

Section 5.02 Records, Audits and Reports to be Maintained. The Company shall maintain the records and accounts of all operations and expenditures of the Company. The Company shall maintain such records at the Company's principal executive office.

Section 5.03 Access to Records. The records and financial information required to be maintained by the Company in Section 5.02, and any other books and records of the Company, wherever situated, are subject to inspection and copying upon five (5) days prior Notice from any Member, and at the expense of, any Member or the Member's agent or attorney during regular business hours of the Company.

Section 5.04 Reports to Members. The Company shall provide annual reports of income and expenses, assets and liabilities, and an annual budget upon the request of any Member, provided the Company shall not be required to provide such reports more often than on an annual basis. The Company shall provide all Members with those information returns required by the Code and the laws of all applicable local and foreign states.

ARTICLE VI. CONTRIBUTIONS AND CAPITAL ACCOUNTS

Section 6.01 Initial Capital Contributions. The description of the Capital Contributions of each Member shall be set forth on Exhibit A hereto. No interest shall accrue on any Initial Capital Contribution, and no Member shall have the right to withdraw or be repaid any Initial Capital Contribution except as provided in this Operating Agreement. The Company shall

amend Exhibit A from time to time to reflect any changes in the amount of capital contributions, the names of the Members or their respective Membership Interests.

Section 6.02 Additional Capital Contributions. (a) While it is the belief and intent of the Members that the Company will operate profitably, the Members recognize that the Company may require additional funds to pay the costs of conducting the Principal Purpose. If, in the judgment of a Supermajority Vote, additional capital funds are required to pay such costs, the additional funds shall be called for by the Company (the “*Call for Funds*”) and shall be contributed by the Members in proportion to their Membership Interests. As used above, the term “costs” shall include, without limitation in so far as such costs emanate from and are essential to the Principal Purpose: principal and interest payments on Company loans, whether or not secured by mortgages on Company properties; additional capital investments; costs of construction, development and maintenance of improvements; insurance premiums; and real estate or other taxes, assessments, and other governmental charges.

(b) In the event a Member is unable or unwilling to make any or all of his proportionate contribution upon a Call for Funds (the “*Defaulting Member*”), upon notice to such Defaulting Member from the Company of such default and the lapse of thirty (30) days from the date of such notice without the Defaulting Member curing the default, then, in addition to such other rights and remedies as may otherwise be available to the Company or the nondefaulting Member(s), the nondefaulting Member(s) may, at the election of a Supermajority Vote of the nondefaulting Member(s) (exclusive of the voting power of the Defaulting Member) (exercisable at any time subsequent to thirty (30) days from the date of the afore described notice), do the following:

- (i) The nondefaulting Member(s) may advance to the Company the funds required of the Defaulting Member pursuant to the Call for Funds as a personal loan by the nondefaulting Member(s) to the Defaulting Member. Such loan shall bear interest at a rate equal to fifteen percent (15.0%) per annum. In such event, all distributions or other payments from the Company which would otherwise be distributed to the Defaulting Member shall be distributed first in order to reduce interest and then principal under such loan. If such loan is not repaid, together with all accrued interest thereon, within six (6) months of the date such funds are advanced by the nondefaulting Member(s) for the benefit of the Defaulting Member, then upon an additional ten (10) days prior written notice to the Defaulting Member, the loan shall be converted to the required capital contribution (a “Cram-Down Contribution”), in which event the nondefaulting Member’s Capital Account shall be increased by, and the Defaulting Member’s Capital Account shall be decreased by, an amount equal to the Cram-Down Contribution. A Cram-Down Contribution shall be deemed a capital contribution by the defaulting Member making (or deemed making) such Cram-Down Contribution as of the date such Cram-Down Contribution is converted from a loan. At the time of a Cram-Down Contribution, the Percentage Financial Rights of the Defaulting Member shall be decreased by the number of percentage points equal in amount to the product of (1) one hundred twenty five percent (125%) multiplied by (2) a fraction, the numerator of which equals the portion (measured in dollars) of the amount of the Cram-Down Contribution, and the denominator of which equals the excess, if any, of (A) the aggregate amount of all capital contributions theretofore contributed by all of the

Members (including the capital contribution made in connection with the Call for Funds with respect to which the provisions of this Section 6.02 are then applicable), in excess of (B) the aggregate amount of distributions to the Members; and the Percentage Financial Rights of the nondefaulting Member shall be increased by such number of percentage points. Once a Cram-Down Contribution has been made (or deemed made) no subsequent payment or tender in respect of the Cram-Down Contribution shall affect the Percentage Financial Rights of the Members, as adjusted in accordance with this Section.

(c) During any period in which a Member is a Defaulting Member, such Member shall not have the authority to act on behalf of the Company, and all management powers of the Company shall be vested in the nondefaulting Member(s); provided, however, that (i) a Supermajority Vote of the nondefaulting Member(s) may authorize any such Defaulting Member to act on behalf of the Company and (ii) a Defaulting Member's Interest may not be terminated, diluted, or transferred without that Member's prior written consent unless and until such Member shall have failed to cure its default in the manner provided and within the time allotted herein.

Section 6.03 Priority and Return of Capital. Except as set forth in Section 6.03 and Section 6.02, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses or Distributions of the Company's assets. This Section 6.03 shall not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company. Subject to any Tax Distributions that may be made from time to time pursuant to Section 7.08 below, and except as may be otherwise expressly agreed in writing by all of the Members, Distributions shall be made on an annual basis, or at such time or times as the Managing Member may determine, to each Member in accordance with his respective Financial Rights.

Section 6.04 Maintenance of Capital Accounts. The Company shall establish and maintain Capital Accounts for each Member. Such Capital Accounts shall be maintained in accordance with Treasury Regulations 1.704-1(b)(iv).

Section 6.05 Distribution of Property. If the Company at any time distributes any of its Property to any Member, the Capital Account of each such Member shall be adjusted to account for the Member's allocable share (as determined under Article VII below) of the Profits or Losses that would have been realized by the Company had it sold the Property that was distributed at its respective fair market value immediately prior to its Distribution.

Section 6.06 Transfer of Financial Rights. In the event of a Transfer of some or all of a Member's Financial Rights in the Company, the Capital Account of the transferring Member shall become the Capital Account of the Member acquiring such Financial Rights, to the extent it relates to the portion of the Financial Rights that are Transferred.

Section 6.07 Compliance with Section 704(b) of the Code. The provisions of this Article VI as they relate to the maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, modified, to cause the allocations of Profits, Losses, income, gain and credit pursuant to Article VII to have substantial economic effect under the Regulations

promulgated under Section 704(b) of the Code, in light of the Distributions made pursuant to Article VII and the Capital Contributions made pursuant to this Article VI. Notwithstanding anything herein to the contrary, this Operating Agreement shall not be construed as creating a deficit restoration obligation or otherwise personally obligate any Member to make a Capital Contribution in excess of the Initial Capital Contribution made by that Member.

ARTICLE VII. ALLOCATIONS AND DISTRIBUTIONS

Section 7.01 Allocations of Profits and Losses. Except as may be required by Section 704(c) of the Code, and Sections 7.02, 7.03, 7.04, and 7.05 of this Article VII, Profits, Losses, and other items of income, gain, loss, deduction and credit shall be apportioned among the Members in proportion to the Membership Interest of each Member.

Section 7.02 Allocations Between Transferor and Transferee. If a Member transfers any part or all of its Membership Interest or if an additional member is admitted pursuant to Section 9.05, the distributive shares of the various items of Profit and Loss allocable among the Members during such Taxable Year of the Company shall be allocated either (a) as if the Company's Taxable Year had ended on the date of the transfer or admission, or (b) based on the number of days of such taxable year before and after the transfer or admission without regard to the results of Company activities in the respective portions of such taxable year. The Company Representative (as specified below), in its sole discretion, shall determine which method shall be used to allocate the distributive shares of the various items of Profits and Losses between the Members and any assignees.

Section 7.03 Company Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain for a Taxable Year, each Member must be allocated items of income and gain for that Taxable Year equal to that Member's share of the net decrease in Company Minimum Gain. A Member's share of the net decrease in Company Minimum Gain is the amount of the total net decrease multiplied by the Member's percentage share of the Company Minimum Gain at the end of the immediately preceding Taxable Year. A Member's share of any decrease in Company Minimum Gain resulting from a revaluation of Company Property equals the increase in the Member's Capital Account attributable to the revaluation to the extent the reduction in Company Minimum Gain is caused by the revaluation. A Member is not subject to this Company Minimum Gain chargeback requirement to the extent the Member's share of the net decrease in Company Minimum Gain is caused by a guarantee, refinancing, or other change in the debt instrument causing it to become partially or wholly a recourse liability or a Member Nonrecourse Liability, and the Member bears the economic risk of loss (within the meaning of Section 1.752-2 of the Regulations) for the newly guaranteed, refinanced, or otherwise changed liability.

Section 7.04 Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Taxable Year shall be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Liability with respect to which such Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(b)(4) of the Regulations.

Section 7.05 Member Minimum Gain Chargeback. If during a Taxable Year there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under Section 1.704-2(i)(5) of the Regulations) as of the beginning of that Taxable Year must be allocated items of income and gain for that Taxable Year (and, if necessary, for succeeding Taxable Years) equal to that Member's share of the net decrease in Member Minimum Gain. A Member's share of the net decrease in Member Minimum Gain is determined in a manner consistent with the provisions of Section 1.704-2(g)(2) of the Regulations. A Member is not subject to this Member Minimum Gain chargeback, however, to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Liability due to a conversion, refinancing, or other change in the debt instrument that causes it to become partially or wholly a Company Nonrecourse Liability. The amount that would otherwise be subject to the Member Minimum Gain chargeback is added to the Member's share of Company Minimum Gain. In addition, rules consistent with those applicable to Company Minimum Gain and Company Minimum Gain chargeback shall be applied to determine the shares of Member Minimum Gain and Member Minimum Gain chargeback to the extent provided under the Regulations issued pursuant to Section 704(b) of the Code.

Section 7.06 Qualified Income Offset. If a Member receives in any taxable year an adjustment, allocation, or distribution described in subparagraphs (4), (5), or (6) of Regulations Section 1.704-1(b)(2)(ii)(d) that causes or increases a negative balance in such Member's Capital Account that exceeds the sum of such Member's shares of Company Minimum Gain and Member Minimum Gain, as determined in accordance with Regulations Sections 1.704-2(g) and 1.704-2(i), such Member shall be allocated specially for such taxable year (and, if necessary, later taxable years) items of income and gain in an amount and manner sufficient to eliminate such negative Capital Account balance as quickly as possible as provided in Regulations Section 1.704-1(b)(2)(ii)(d). After the occurrence of an allocation of income or gain to a Member in accordance with this Section 7.06, to the extent permitted by Regulations Section 1.704-1(b), items of expense or loss shall be allocated to such Member in an amount necessary to offset the income or gain previously allocated to such Member under this Section 7.06.

Section 7.07 Capital Account Deficits. Loss shall not be allocated to a Member to the extent that such allocation would cause a deficit in such Member's Capital Account (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) to exceed the sum of such Member's shares of Company Minimum Gain and Member Minimum Gain. Any Loss in excess of that limitation shall be allocated to the other Members. After the occurrence of an allocation of Loss to any other Member in accordance with this Section 7.07, to the extent permitted by Regulations Section 1.704-1(b), Profit shall be allocated to such other Member in an amount necessary to offset the Loss previously allocated to such other Member under this Section 7.07.

Section 7.08 Tax Distributions; Interim Distributions.

(a) The Managing Member will, at such time(s) as the Managing Member may elect, but in no event less frequently than annually, prior to the due date of the Members' federal and state income tax payments for each calendar year, cause the Company to distribute (but only from Net Cash Receipts) cash in an amount sufficient for each Member (or each Member's constituents) to pay his or its actual or estimated tax payments resulting from his or its Membership Interest, which distributions will be made at such times and in such amounts so that, to the extent possible, the Members may avoid the imposition of any penalties ("***Tax Distributions***"). Such Tax Distributions pursuant to this Section shall be in amounts sufficient to allow such Members to make all income tax payments required to be made by such Members assuming such Members were subject to the highest federal and state income tax rates then in effect for any Member, it being understood that with respect to the portion of the Company's earnings consisting of long term capital gains, the applicable highest rates shall be the long term capital gain rates.

(b) From time to time, the Managing Member may elect to make interim Distributions to the Members from Net Cash Receipts in proportion to each Member's Financial Rights in the Company as of the date of such interim Distribution. An interim Distribution shall be in cash or Property (which need not be distributed proportionately) or partly in both. Tax Distributions must be made prior to any interim Distributions.

Section 7.09 Limitations on Distributions. No Distributions (other than Tax Distributions) shall be made to any Member so long as any amounts then due and payable on any outstanding loans made by the Members to the Company remains unpaid. Once these loans from Members are repaid, Distributions, if any, may be made to the Members in accordance with this Article VII and § 48-249-306 of the Act.

ARTICLE VIII. TAXES

Section 8.01 Elections. The Members may make any tax elections for the Company allowed under the Code or the tax laws of any Taxing Jurisdiction.

Section 8.02 Company Representative.

(a) The Managing Member is authorized to make any and all elections for federal, state and local tax purposes including, without limitation, any election, if permitted by applicable law: (a) to adjust the basis of Company property pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state or local law, in connection with Transfers of Membership Interests and Company distributions; and (b) to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, state or local tax return.

(b) The Managing Member is specifically authorized to designate an individual to act as the "partnership representative" and in any similar capacity under state or local law ("***Company Representative***"). To the extent permitted by law, the Company shall duly and timely elect to under Code Section 6221(b) to opt-out of the new Subchapter 63C, and shall notify each Member of such

election. No Member may transfer its interest in the Company or take any action (or permit any beneficial owner of any Member to transfer its interest or take any action) that, based solely on the facts and circumstances immediately after such transfer or action, would adversely affect the Company's ability to make an effective election under Section 6221(b) of the Code. Any such attempted transfer or action is null and void ab initio and shall not bind the Company.

(c) If the Company receives a notice of final partnership adjustment from the IRS, the Company Representative shall promptly forward a copy of such notice to the Members and their respective legal counsel. The Company Representative shall timely file an election described in Code Section 6226(a) with respect to any notice of final partnership adjustment received by the Company with respect to any Post-TEFRA Period and take such other actions as are required so that Code Section 6225 shall not apply with respect to any imputed underpayment with respect to any adjustment of an item of the Company or any Company's distributive share thereof. Each Member shall take any and all actions necessary to effect such election, including, but not limited to, making any payments required under Code Section 6226(b). In the event that an election described in Code Section 6226(a) is not made with respect to any notice of final partnership adjustment, each Member shall be obligated to make a capital contribution in an amount equal to such Member's share of the imputed underpayment (and any associated interest and penalties) owed by the Company under Code Section 6225.

(d) The Members acknowledge and agree that the provisions of this Section 8.02 shall continue to apply even after a Person ceases to be a Member for any reason, including the termination of this Agreement and the dissolution of the Company.

Section 8.03 Taxes of Taxing Jurisdictions. To the extent that the laws of any Taxing Jurisdiction so require, each Member will submit an agreement indicating that the Member will make timely income tax payments to the Taxing Jurisdiction and that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest and penalties assessed on such income. If the Member fails to provide such agreement, the Company may withhold and pay over to such Taxing Jurisdiction the amount of tax, penalties and interest determined under the laws of the Taxing Jurisdiction with respect to such income. Any such payments with respect to the income of a Member shall be treated as a Distribution for purposes of Article X. The Members may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax, penalties and interest so paid.

Section 8.04 Method of Accounting. The records of the Company shall be maintained on such method of accounting as is determined by the Managing Member. It is intended that the Company will elect those accounting methods permitted under applicable law which provide the Company with the greatest tax benefits.

ARTICLE IX. TRANSFER AND TERMINATION OF MEMBERSHIP INTERESTS

Section 9.01 Limitations on Transfer of Membership Interests. (a) Except for transfers to Permitted Transferees, as defined herein, no Member or Managing Member may Transfer its Membership Interest or any portion thereof or the Membership Interest or any portion thereof of any other Member or Managing Member, except as allowed by this Operating Agreement or by unanimous written consent of the then Members. Any attempt to Transfer a Membership Interest or any portion thereof that does not comply with the terms and conditions of this Operating Agreement shall be void and ineffective.

(b) Any Member shall have the right to make transfers from time to time irrespective of whether any such transfer is *intervivos* or testamentary, of all or a part of his Membership Interest with or without consideration to a (1) a spouse of a Member (other than a spouse who is legally separated under a decree of separate maintenance or a spouse who is a party to a pending divorce proceeding); (2) a descendant of a Member (including descendants by adoption if the adoption was a court approved adoption of a minor under 21 years of age and including any individual for whom the Member is or was at any time a legal guardian); (3) any parent or sibling of a Member; (4) a descendant of a sibling of a Member (including descendants by adoption as defined in Subsection 2 above); (5) a family limited partnership, family corporation or family limited liability company, whose partners, shareholders or members consist solely of a Member and/or Persons described in Subsections 1 through 4 above; (6) a trust created for the benefit of anyone described in Subsections 1 through 4 above; (7) any organization described in any of the following sections of the Code: Section 170(b)(1)(A); Section 170(c); Section 2055(a) or Section 2522(a); and (8) a charitable remainder trust created under Section 664 of the Code (subsections (b)(1) - (b)(8) hereinafter referred to as a “*Permitted Transferee*”). Any Member who makes such a transfer of Membership Interests to a Permitted Transferee shall provide to the Company copies of all documents related thereto and such other information and documents as the Company may reasonably request

Section 9.02 Conditions to Transfer of Membership Interests. As a condition to any Transfer of Membership Interests by a Member permitted hereunder:

(a) prior to the Transfer, the Company must have received from the transferee the information and agreements that the other Members may reasonably require, including, but not limited to, any taxpayer identification number and any agreement that may be required by the Taxing Jurisdiction and an agreement whereby the transferee acknowledges that it will be bound by the terms and conditions of this Operating Agreement; and

(b) the requirements of this Operating Agreement must have been complied with by the parties to the Transfer and the Company.

Section 9.03 Rights of First Refusal. Other than transfers permitted under Section 9.01, a Member who desires to sell or otherwise assign all or any portion of his Membership Interest to a third party may not sell or otherwise assign such interest to the third party without satisfying the requirements of this Section 9.03.

(a) Bona Fide Offer. A Member who desires to sell his Membership Interest to a third party shall obtain a bona fide written offer from the third party to purchase such

Membership Interest, stating the terms and conditions upon which the purchase is to be made and the price to be paid.

(b) Notice of Offer. The Member desiring to sell all or part of his Membership Interest shall serve Notice upon the Company and the other Members stating that he has received a bona fide offer for the sale of his Membership Interest and setting forth the following information:

(i) The portion of the Member's Membership Interest proposed to be sold:

(ii) The name and address and business or occupation of the third party offering to purchase such Membership Interest;

(iii) the sale price and terms and conditions of the bona fide offer; and

(iv) an offer to sell such Membership Interest to the Company and to the other Members at the price and under the terms offered by the third party offeror.

(c) Acceptance of Offer by Company. For a period of fifteen (15) days after the receipt of such Notice, the Company shall have the option to purchase all (but not less than all) of the offered Membership Interest at the price and under the terms of the bona fide offer.

(d) Acceptance of Offer by Members. If the Company fails to exercise said option, the Members shall have the option to purchase all (but not less than all) of the offered Membership Interest on a basis pro rata to their respective Membership Interests at the price and under the terms of the bona fide offer. Such option shall extend for a period of fifteen (15) days after the termination of the Company's option. If some, but less than all, of the Members desire to exercise such option, the rights of the Members exercising the option to purchase the offered Membership Interest shall be on a pro rata basis among such Members, unless otherwise agreed by such Members. If only one Member desires to exercise the option, such Member shall be allowed to do so.

(e) Time, Date and Place of Closing. In the event the Company or the Members, or any one or more of the Members, shall exercise their option to purchase the Membership Interest, the Company or the Members exercising such option to purchase, as the case may be, shall designate the time, date and place of closing; provided, however, that the date of closing shall be within thirty (30) days of the date that the Company or the Members, as the case may be, provide Notice to the selling Member of their election to purchase the Membership Interest.

(f) Declination of Offer. In the event that neither the Company nor the Members shall exercise their option to purchase, as provided herein, the selling Member shall be free to sell the Membership Interest to the third party offeror named in the aforesaid Notice at the price and upon the terms and conditions set forth in such Notice; provided, however, that such sale shall be made within sixty (60) days following the termination of the last option of the Members to purchase the Membership Interest. If the sale is not

consummated within said sixty (60) day period, the provisions of this Section 9.03 shall again be applicable to the Membership Interest, or portion thereof, with respect to which the Member had received the bona fide offer.

Section 9.04 Admission of Additional Members. Except for Permitted Transferees admitted pursuant to Section 9.01, and subject to Supermajority Vote as outlined in Section 4.04(b) and Section 9.05, after complying with Section 9.03 above, persons may be admitted as additional Members only upon the approval of (i) a Supermajority Vote of Members and (ii) Member(s), if any, whose Membership Interest will be reduced by the admission of the additional Member. Any additional Member shall execute and become bound by all of the provisions of this Operating Agreement, as amended to reflect the additional Member. No such additional Member shall be entitled to any retroactive allocation of income, gain, loss, deduction or credit by the Company. The Members may at the time the additional Member is admitted, close the Company's books (as though the Company's Taxable Year had ended) or make pro rata allocations of income, gain, loss, deduction or credit to the additional Member for that portion of the Company's Taxable Year in which the additional Member was admitted in accordance with the provisions of Section 706(d) of the Code and the Regulations.

Section 9.05 [Intentionally Omitted]

Section 9.06 Amendment of Operating Agreement upon a Transfer. Upon any Transfers of all or any portions of Membership Interests or the admission of an additional Member, the Managing Member is hereby authorized to substitute a revised Exhibit A to this Operating Agreement to reflect the changes in ownership of Membership Interests.

Section 9.07 No Separation of Financial Rights and Governance Rights. Unless authorized by a Supermajority Vote of the Members, including the affirmative vote of any Member whose rights are to be so affected, Financial Rights and Governance Rights may not be Transferred independently of one other.

**ARTICLE X.
DISSOLUTION AND WINDING UP**

Section 10.01 Term and Dissolution. The Company shall be dissolved and its affairs wound up as set forth in § 48-249-601, *et seq.* of the Act; provided, however, that (a) dissolution by the Members shall require approval of Members holding at least a Supermajority of the Membership Interests and (b) the Company shall be dissolved and its affairs wound up upon the sale or other disposition (excluding a collateral assignment) of substantially all of the Company Property unless Members holding at least a Supermajority of the Membership Interests affirmatively vote to amend this Operating Agreement in order to continue the existence of the Company.

Section 10.02 Liquidation. Upon dissolution of the Company, the Managing Member shall file with the Tennessee Secretary of State a statement of intent to dissolve, and the Property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the

proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order:

- (a) First, to the payment and discharge of all Company debts and liabilities to creditors other than Members;
- (b) Second, to the payment and discharge of all Company debts and liabilities to Members;
- (c) Third, to the Members to the extent of any positive Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods; and
- (d) The balance, if any, to the Members in proportion to their Financial Interests.

Section 10.03 Deficit Capital Accounts. Notwithstanding anything in this Operating Agreement to the contrary and notwithstanding any custom or rule or law to the contrary, the deficit, if any, in the Capital Account of any Member upon the dissolution of the Company shall not be an asset of the Company, and such Member shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

ARTICLE XI. REPRESENTATIONS OF MEMBERS

Section 11.01 In General. As of the date hereof, each Member hereby makes each of the representations and warranties applicable to such Member as set forth in this Article XI, and such representations and warranties shall survive the execution of this Operating Agreement. Said warranties and representations shall also be made by and shall be binding upon all persons receiving Membership Interests at any time after the date hereof as of the date such persons receive Membership Interests.

Section 11.02 Representation by Members. Each Member, whether an initial Member or one added after the formation of the Company, hereby makes each of the representations and warranties applicable to such Member as set forth below, and such representations and warranties shall survive the execution of this Operating Agreement:

- (a) Each Member hereby represents and warrants that any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance and performance by such Member under this Operating Agreement or the consummation by such Member of any transaction contemplated hereby has been completed, made or obtained on or before the Member's execution of this Operating Agreement.
- (b) The undersigned Members acknowledge (a) that the Membership Interests evidenced by this Operating Agreement have not been registered under the Securities Act of 1933, the Tennessee securities laws or the securities laws of any other state (the "Securities Acts") because the Company is issuing these Membership Interests in reliance upon the exemptions from the registrations requirements of the Securities Acts providing for issuance of securities not involving a public offering, (b) that the Company has relied upon

the fact that the Membership Interests are to be held by each Member (or assignee) for investment, and (c) that exemption from registrations under the Securities Acts would not be available if the Membership Interests were acquired by a Member (or assignee) with a view to distribution. Accordingly, each Member hereby represents and warrants to the Company that such Member is acquiring the Membership Interest for such Member's own account for investment and not with a view to the resale or distribution thereof.

- (c) Prior to acquiring a Membership Interest in the Company, each Member has made an investigation of the Company and its business and has had made available to each such Member all information with respect thereto which such Member needed to make an informed decision to acquire the Membership Interest. Each Member considers himself or itself to be a person possessing experience and sophistication as an investor which are adequate for the evaluation of the merits and risks of such Member's investment in the Membership Interest.

ARTICLE XII. MISCELLANEOUS PROVISIONS

Section 12.01 Conflicts of Interest. No Member or Managing Member violates a duty or obligation to the Company merely because the conduct furthers his or her own interest. No transaction with the Company shall be voidable solely because a Member or Managing Member has a direct or indirect interest in the transaction if the disinterested Members or Managing Member knowing the material facts of the transaction and the Members or Managing Member's interest therein, authorize, approve or ratify the transaction. In furtherance of the foregoing, except for a (i) one-time Two Hundred and Fifty Thousand Dollar (\$250,000.00) cash flow administrative fee to Elmington Affordable, LLC, an affiliate of the Company ("Affordable Platform") and (ii) an agreements in furtherance of the Principal Purpose on commercially reasonable terms, (e.g. agreements for the provision of property management services, general contracting services, and the like), the Company shall enter into no agreements with any Member, Managing Member, immediate family member of any Member or Managing Member, or any entity owned or controlled in whole or part by any Member, Managing Member, or immediate family member of any Member or Managing Member (the foregoing shall also include former Members and Managing Members).

Section 12.02 Amendment or Modification of Operating Agreement. Except as otherwise provided in Section 4.04 and Section 4.05, this Operating Agreement may be amended or modified from time to time only by a written instrument adopted by a Majority Vote of the Members.

Section 12.03 Entire Agreement. This Operating Agreement constitutes the entire agreement among the parties. No party shall be bound by any terms, conditions, statements or representations, oral or written, not herein contained. Each party hereby acknowledges that in executing this Operating Agreement, such party has not been induced, persuaded or motivated by any promise or representation made by any other party, unless expressly set forth herein. All previous negotiations, statements and preliminary instruments by the parties or their representatives are merged in this Operating Agreement.

Section 12.04 Rights of Creditors and Third Parties. This Operating Agreement is entered into by and among the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. This Operating Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by the Act or other applicable statute, no such creditor or third party shall have any rights under this Operating Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

Section 12.05 Interpretation. For and in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members executing this Operating Agreement hereby agree to the terms and conditions contained herein, as it may from time to time be amended according to its terms. It is the express intention of the Members that this Operating Agreement and the Articles shall be the sole source of agreement of the parties, and, except to the extent a provision of the Operating Agreement expressly incorporates Federal income tax rules by reference to sections of the Code or Regulations or is expressly prohibited or ineffective under the Act, the Operating Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. To the extent any provision of this Operating Agreement is prohibited or ineffective under the Act, the Operating Agreement shall be considered amended to the smallest degree possible in order to make the agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make any provision of this Operating Agreement that was formerly invalid valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

Section 12.06 Governing Law. This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Tennessee, and specifically the Act, applied without respect to any conflicts-of-law principles.

Section 12.07 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

Section 12.08 Construction of Terms. Whenever used in this Operating Agreement and when required by the context, the singular number shall include the plural and the plural the singular. Pronouns of one gender shall include all genders.

Section 12.09 Captions. The captions as to contents of particular articles, sections or paragraphs contained in this Operating Agreement are inserted for convenience and are in no way to be construed as part of this Operating Agreement or as a limitation on the scope of the particular articles, sections or paragraphs to which they refer.

Section 12.10 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any agreement or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

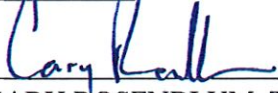
Section 12.11 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

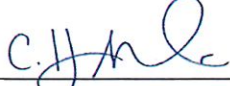
Section 12.12 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

Section 12.13 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement to be effective as of the day and date first set forth above.

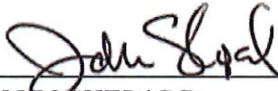
MEMBERS:

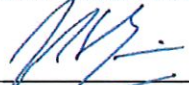

CARY ROSENBLUM, TRUSTEE OF
BIG BITE 2025 TRUST

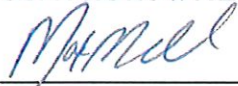

C. HUNTER NELSON, TRUSTEE OF
NELSON FAMILY 2025 TRUST

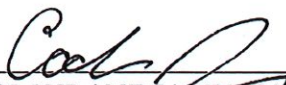

BENJAMIN BREWER, TRUSTEE OF
BRW FAMILY 2025 TRUST


RYAN SEIBELS, TRUSTEE OF
RCS 2025 TRUST

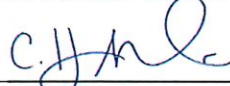

JOHN SHEPARD


JOSEPH HOROWITZ

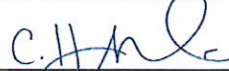

MARK MCCORD


COCHRANE JAMISON


SCOTT SOHR, TRUSTEE OF CANARY
VENTURES TRUST


C. HUNTER NELSON

ELMINGTON AFFORDABLE, LLC

By: 
C. Hunter Nelson, Secretary

**EXHIBIT A
TO
OPERATING AGREEMENT**

<u>Name</u>	<u>Original Capital Contribution</u>	<u>Percentage Financial Rights</u>	<u>Percentage Governance Rights</u>
Big Bite 2025 Trust	\$17.18	17.18%	17.18%
BRW Family 2025 Trust	\$17.18	17.18%	17.18%
RCS 2025 Trust	\$8.05	8.05%	8.05%
Nelson Family 2025 Trust	\$17.18	17.18%	17.17%
John Shepard	\$2.63	2.63%	2.63%
Joseph Horowitz	\$2.63	2.63%	2.63%
Mark McCord	\$13.16	13.16%	13.16%
Canary Ventures Trust	\$6.45	6.45%	6.45%
Cochrane Jamison	\$1.05	1.05%	1.05%
C. Hunter Nelson	\$0.00	00.00%	00.01%
Elmington Affordable, LLC	\$14.49	14.49%	14.49%
TOTAL	\$100.00	100%	100%

Tab A.3

ECG Rady GP, LLC
Operating Agreement

**OPERATING AGREEMENT
OF
ECG RADY GP, LLC**

THIS OPERATING AGREEMENT OF ECG RADY GP, LLC, a limited liability company organized pursuant to the Tennessee Revised Limited Liability Company Act, shall be effective as of June 13, 2025, by and among the Persons executing this Operating Agreement as Members.

**ARTICLE I.
DEFINITIONS**

The following terms used in this Operating Agreement shall have the following meanings unless otherwise expressly provided herein:

Section 1.01 “*Act*” means the Tennessee Revised Limited Liability Company Act, Tenn. Code Ann. § 48-249-101, *et seq.*, as amended from time to time, and any successor thereto.

Section 1.02 “*Affiliate*” means, with respect to any Person, (a) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (b) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (c) any member, manager, officer, director or general partner of such Person, or (d) any Person who is a member, manager, officer, director, general partner, trustee, or a holder of ten percent (10%) or more of the voting interests of any Person described in clauses (a) through (c) of this sentence. For purposes of this definition, the term “controls,” “is controlled by,” or “is under common control with” means the possession, direct or indirect, of the power to direct or cause the direction of the management policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

Section 1.03 “*Articles*” means the Articles of Organization of the Company, as amended from time to time.

Section 1.04 “*Capital Account*” means the account maintained with respect to a Member determined in accordance with Article VI.

Section 1.05 “*Capital Contribution*” means any contribution of Property or services or the obligation to contribute Property or services made by or on behalf of a Member.

Section 1.06 “*Code*” means the Internal Revenue Code of 1986, as amended, or any successor thereto.

Section 1.07 “*Company*” means ECG Rady GP, LLC, a Tennessee limited liability company.

Section 1.08 “*Company Minimum Gain*” means an amount determined by first computing for each Company Nonrecourse Liability any gain the Company would realize if it Transferred the Company Property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of

Company Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any Taxable Year, the net increase or decrease in Company Minimum Gain is determined by comparing the Company Minimum Gain on the last day of the immediately preceding Taxable Year with the Company Minimum Gain on the last day of the current Taxable Year. Notwithstanding any provision to the contrary contained herein, Company Minimum Gain, and increases and decreases in Company Minimum Gain, are intended to be computed in accordance with Section 704 of the Code and the Regulations issued thereunder, as the same may be issued and interpreted from time to time.

Section 1.09 “*Company Nonrecourse Liability*” means any debt or obligation of the Company to the extent that no Member or Related Person bears the economic risk of loss (as defined in Section 1.752-2 of the Regulations) with respect to the liability.

Section 1.10 “*Company Property*” means any Property owned by the Company.

Section 1.11 “*Distribution*” means a transfer of Property made by the Company to a Member on account of such Member’s Financial Rights as described in Article VII.

Section 1.12 “*Electronic Transmission*” means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient of the communication, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 1.13 “*Entity*” means, whether foreign or domestic and whether for profit or not-for-profit, limited liability companies, corporations, unincorporated associations, real estate investment trusts, statutory or business trusts or associations, estates, general partnerships, limited partnerships, registered or unregistered limited liability partnerships, limited liability limited partnerships or similar organizations, trusts, joint ventures, two (2) or more persons having a joint or common economic interest, and local, municipal, state, United States and foreign governments.

Section 1.14 “*Financial Rights*” means a Member’s right to share in Profits and Losses, to share in and receive Distributions, to receive liquidation distributions, to transfer the Financial Rights. The Financial Rights shall be expressed as a percentage, with the initial percentages being set forth on Exhibit A attached hereto.

Section 1.15 “*Governance Rights*” means a Member’s right to vote on one (1) or more matters, all of a Member’s other rights as a member in the Company under this Operating Agreement, the Articles or the Act, other than Financial Rights, and the right to transfer the voting rights. The Governance Rights shall be expressed as a percentage, with the initial percentages being set forth on Exhibit A attached hereto.

Section 1.16 “*Initial Capital Contribution*” means the initial Capital Contribution agreed to be made by the Members as described in Section 6.01 and set forth on Exhibit A.

Section 1.17 “*Majority Vote*” shall mean, with respect to the Members, approved by more than fifty percent (50%) of the Membership Interest entitled to vote.

Section 1.18 “Managing Member” means the Member so designated in Section 4.02 below.

Section 1.19 “Member” means any Person holding Membership Interests.

Section 1.20 “Member Minimum Gain” means an amount determined by first computing for each Member Nonrecourse Liability any gain the Company would realize if it disposed of the Company Property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Member Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any Taxable Year, the net increase or decrease in Member Minimum Gain is determined by comparing the Member Minimum Gain on the last day of the immediately preceding Taxable Year with the Member Minimum Gain on the last day of the current Taxable Year. Notwithstanding any provision to the contrary contained herein, Member Minimum Gain and increases and decreases in Member Minimum Gain are intended to be computed in accordance with Section 704 of the Code and the Regulations issued thereunder, as the same may be issued and interpreted from time to time.

Section 1.21 “Member Nonrecourse Deductions” means the net increase during the Taxable Year, if any, in Member Minimum Gain, reduced (but not below zero) by any distribution of proceeds that are attributable to a Member Nonrecourse Liability and allocable to an increase in such Member Minimum Gain under Section 1.704-2(i) of the Regulations.

Section 1.22 “Member Nonrecourse Liability” means any debt or obligation of the Company to the extent the liability is nonrecourse under state law, and on which a Member or Related Person bears the economic risk of loss under Section 1.752-2 of the Regulations because, for example, the Member or Related Person is the creditor or a guarantor.

Section 1.23 “Membership Interest” means a Member’s interest in the Company, which shall consist of the member’s Financial Rights and Governance Rights.

Section 1.24 “Net Cash Receipts” means the gross cash proceeds from the operation of the Company’s business less the portion thereof designated by the Managing Member as reserves for or to pay the Company’s expenses, debt payments and capital expenditures. “Net Cash Receipts” shall include any new cash proceeds from the disposition of Company Property and from the refinancing of indebtedness of the Company, shall be increased by any reduction of reserves previously established by the Managing Member and shall not be reduced by depreciation, cost recovery, amortization or similar noncash deductions.

Section 1.25 “Notice” means a written communication. Notice to the Company shall be considered given when mailed by first class mail postage prepaid addressed to the Managing Member in care of the Company at the address of the Company’s Principal Executive Office. Notice to a Member shall be considered given when mailed by first class mail postage prepaid addressed to the Member at that Member’s address as reflected in the records of the Company unless the Member has given the Company a Notice of a different address. Notice shall also be considered given as provided in this Operating Agreement and in the Act.

Section 1.26 “*Officers*” means an individual holding one or more of the offices described in Article IV below.

Section 1.27 “*Operating Agreement*” means this Operating Agreement including all amendments hereto adopted in accordance with the term hereof and the Act.

Section 1.28 “*Person*” shall include an individual or any Entity.

Section 1.29 “*Principal Executive Office*” means the principal executive office of the Company designated in Section 2.03.

Section 1.30 “*Profits*” and “*Losses*” mean, for each fiscal year or other allocation period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses hereunder shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses hereunder shall be subtracted from such taxable income or loss;

(c) In the event the value of any Company asset is adjusted pursuant to the Code, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of a Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the fair market value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its fair market value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account depreciation for such fiscal year or other period computed in accordance with the definition of depreciation contained herein;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Sections 734(b) or 743(b) is required by Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision herein, any items, which are specially allocated pursuant to Sections 7.02, 7.03, 7.04 or 7.05 hereof, shall not be taken into account in computing Profits or Losses. The amount of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 7.02, 7.03, 7.04 or 7.05 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (g) of this Section.

Section 1.31 “Property” means any property, whether real, personal or mixed, tangible or intangible, including money and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

Section 1.32 “Regulations” means the permanent, temporary, proposed, or proposed and temporary regulations issued by the Department of the Treasury that are promulgated under the Code as amended.

Section 1.33 “Related Person” means a Person having a relationship to a Member that is described in Section 1.752-4(b) of the Regulations.

Section 1.34 “Securities Acts” means the Securities Act of 1933, the Tennessee securities laws or the securities laws of any other state.

Section 1.35 “Supermajority Vote” shall mean, with respect to the Members, approved by sixty six percent (66%) or more of the Governance Rights entitled to vote.

Section 1.36 “Tax Distributions” has the meaning set forth in Section 7.08.

Section 1.37 “Taxable Year” means the taxable year of the Company as determined pursuant to Section 706 of the Code.

Section 1.38 “Taxing Jurisdiction” means the taxing jurisdiction of the Federal government and of any state, local, or foreign government that collects tax, interest or penalties, however designated, on any Member’s share of the income or gain attributable to the Company.

Section 1.39 “Transfer” means any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including transfers by operation of law) and may be used as a noun or a verb.

ARTICLE II. FORMATION AND BUSINESS OF COMPANY

Section 2.01 Organization. The Members have organized the Company pursuant to the provisions of the Act as a member-managed limited liability company by executing and filing the Articles with the Secretary of State of Tennessee on June 13, 2025. The Company shall be treated as a partnership for state and federal tax purposes.

Section 2.02 Registered Agent and Office. The registered agent for the service of process and the registered office shall be as reflected in the Articles. The Managing Member may change the registered agent or office by authorizing appropriate filings with the Secretary of State.

In the event the registered agent ceases to act as such for any reason or the location of the registered office shall change, the Managing Member shall promptly designate a replacement registered agent or file a Notice of Change of Address as the case may be.

Section 2.03 Principal Executive Office. The Principal Executive Office is located at 1030 16th Ave. S., Suite 500, Nashville, TN 37212. The Company may locate its Principal Executive Office at any other place or places as the Managing Member may from time to time deem advisable, provided that the Articles are amended accordingly.

Section 2.04 Permitted Businesses. The business of the Company shall be the development, ownership, and/or management of a single affordable multifamily housing development currently known as Rady Apartments (the “*Principal Purpose*”), as well as to accomplish any lawful business whatsoever, to exercise all powers necessary to or reasonably connected with the Company’s business which may be legally exercised by limited liability companies under the Act or under the laws of any jurisdiction in which the Company may conduct its business.

Section 2.05 Information Regarding Members. Exhibit A contains the identity of all of the Members, their initial Capital Contributions and their percentage Financial Rights and Governance Rights.

ARTICLE III. MEMBER MEETINGS

Section 3.01 Meetings. Neither regular nor special meetings of the Members shall be required in order to conduct the business and affairs of the Company or take any action with respect thereto; provided, however, that meetings of the Members may be called for any purpose or purposes using the procedures contained in this Article III by any Member.

Section 3.02 Place of Meetings. Member meetings shall be held at the Principal Executive Office or at any other place, within or without the State of Tennessee, as the Members may from time to time elect.

Section 3.03 Notice Requirements. Notice of meetings shall be in writing, unless oral notice is reasonable under the circumstances, and if in writing may be communicated in person, by facsimile, electronic mail or other form of electronic communication. The notice must state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. Notice shall be given to each Member entitled to vote at the meeting. Written notice is effective at the earliest of the following: (a) when received or when delivered to the addressee’s last known principal place of business or residence; (b) five (5) days after its deposit in the mail, as evidenced by the postmark, if mailed with first-class postage prepaid and correctly addressed to a Member at the address shown in the Company’s current records; or (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. Oral notice is effective when communicated if communicated in a comprehensible manner.

Section 3.04 Meetings by Any Form of Communication. Members may participate in a meeting of the Members by means of conference telephone or other communications equipment

by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 3.05 Quorum. Members holding a Majority of the Membership Interests entitled to vote shall constitute a quorum at all meetings of the Members. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any of those present. A meeting may be adjourned despite the absence of a quorum.

Section 3.06 Voting. Whenever any Company action requires authorization by the Members, it shall be taken if authorized by Members holding a Supermajority Vote of the Governance Rights, except as otherwise specified in the Articles or this Operating Agreement.

Section 3.07 Action by Consent. The Members may take any action on which they are entitled to vote by written consent without prior notice and without a vote if a consent or consents in writing setting forth the action to take is signed by Members holding not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote were present and voted. A consent transmitted by Electronic Transmission by a Member (or by a person authorized to act for the Member) shall be deemed to be written and signed for purposes of this subsection. Prompt notice of the taking of action without a meeting by less than unanimous written consent of the Members shall be given to any Member entitled to vote thereon that did not sign such written consent; provided, however, that the failure to give such notice shall not affect the validity of the action taken.

Section 3.08 Proxies. Members who are entitled to vote may vote any meeting either in person or by proxy in writing, which shall be filed with the Managing Member before being voted. Such proxy shall entitle the holders thereof to vote the Membership Interest of the Member granting the proxy at any meeting or any adjournment of such meeting, but shall be valid after the final adjournment thereof. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the Member executing it shall have specified therein the length of time it is to continue in force, which shall be for some limited period.

ARTICLE IV. MANAGEMENT OF THE COMPANY

Section 4.01 Management. The management of the business and affairs of the Company shall be vested collectively in its Members. The Members shall collectively direct, manage and control the business of the Company and may exercise any or all of the powers granted to the Company under the Act, subject to the provisions of this Operating Agreement. Notwithstanding anything in this Operating Agreement to the contrary but subject to the rights of the Members and the Membership approval requirements contained herein, Members holding a Supermajority of the Governance Rights may appoint, from time to time, one or more Officers to carry on the business and affairs of the Company under the terms and conditions as such Members determine, including but not limited to the Officers appointed below.

Section 4.02 Managing Member. Subject to the terms provided herein, the Members hereby delegate to the Managing Member all powers and authorities of management and control of the Company's business. Without limiting the generality of the foregoing, and subject to the

rights of the Members provided herein, the Managing Member shall have the power and authority, as the binding act of the Company, to take all actions on behalf of the Company as may be deemed necessary or desirable by the Managing Member, including but not limited to the acquisition and sale of real and/or personal property, the borrowing of money, the execution and delivery of all contracts and instruments, the payment of all sums, and the performance of any other acts as the Managing Member may determine in his sole discretion. The initial Managing Member shall be C. Hunter Nelson.

Section 4.03 Secretary. The Secretary shall keep the minutes of the meetings of the Members; he shall attend to the giving and serving of notice; he may sign in the name of the Company all contracts and instruments authorized by the Managing Member; he shall have charge of all books or papers as the Members may direct; all of which shall at all reasonable times be open to the examination of any Member, to the extent required by law, upon application at the office of the Company during business hours; he shall authenticate records of the Company; and he shall in addition perform all duties incident to the office of Secretary, subject to the control of the Members. He shall submit such reports to the Members as may be required by them. The initial Secretary shall be Cary Rosenblum.

Section 4.04 Supermajority Required for Major Decisions. Notwithstanding anything in this Article IV to the contrary except Section 4.05 below, Supermajority Vote of the Members shall be required in order to:

- (a) amend the Articles or this Operating Agreement;
- (b) sell a portion of, all, or substantially all, of the Company Property or Company Membership Interest, so long as all proceeds for such sale are distributed to Members in a timely and pro-rata manner (the Members intend and this provision shall be construed as a “drag along” clause such that a non-Supermajority Member(s) may not interfere with the partial sale or sale of all Company Property or Membership Interests.);
- (c) dispose of all, or substantially all, of the Company Property in or as part of a single transaction or plan; or
- (d) the dissolution of the Company as set forth in § 48-249-601, *et seq.* of the Act

Section 4.05 Unanimous Consent Required to Preserve Membership Interests. The following decisions require the unanimous written approval of all Governance Rights:

- (a) Any use of Company revenue, income, or Company Property (including use of such Company revenue, income or Company Property as collateral or liquidity to obtain financing) other than for the Principal Purpose provided in Section 2.4;
- (b) Loan, sell or convey an interest in Company Property to, or borrow money from, any Member, Managing Member, immediate family member of any Member or Managing Member, or any entity owned or controlled in whole or part (either before or after such transaction) by any Member, Managing Member, or immediate family member of any

Member or Managing Member (the foregoing shall also include former Members and Managing Members); or

(c) Amend Sections 1.35 (Supermajority Vote), 2.04 (Permitted Businesses), 4.04 (Supermajority Required for Major Decisions), 4.05 (Unanimous Consent Required to Preserve Membership Interests), 6.02 (Additional Capital Contributions), 6.03 (Priority and Return of Capital), 9.01 (Limitations on Transfers of Membership Interests), 9.03 (Rights of First Refusal), 9.04 (Admission of Additional Members), 9.07 (No Separation of Financial Rights and Governance Rights), or 12.01 (Conflicts of Interest); or

(d) Add or revise any provision in a way that conflicts with any of the Sections identified in Section 4.05(c).

Except as expressly provided in this Operating Agreement, a Membership Interest may not be reduced, diluted, transferred, or terminated without such Member's prior written consent.

ARTICLE V. PROPERTY, ACCOUNTS AND RECORDS

Section 5.01 Property. Any and all Company Property shall be held in the name of the Company.

Section 5.02 Records, Audits and Reports to be Maintained. The Company shall maintain the records and accounts of all operations and expenditures of the Company. The Company shall maintain such records at the Company's principal executive office.

Section 5.03 Access to Records. The records and financial information required to be maintained by the Company in Section 5.02, and any other books and records of the Company, wherever situated, are subject to inspection and copying upon five (5) days prior Notice from any Member, and at the expense of, any Member or the Member's agent or attorney during regular business hours of the Company.

Section 5.04 Reports to Members. The Company shall provide annual reports of income and expenses, assets and liabilities, and an annual budget upon the request of any Member, provided the Company shall not be required to provide such reports more often than on an annual basis. The Company shall provide all Members with those information returns required by the Code and the laws of all applicable local and foreign states.

ARTICLE VI. CONTRIBUTIONS AND CAPITAL ACCOUNTS

Section 6.01 Initial Capital Contributions. The description of the Capital Contributions of each Member shall be set forth on Exhibit A hereto. No interest shall accrue on any Initial Capital Contribution, and no Member shall have the right to withdraw or be repaid any Initial Capital Contribution except as provided in this Operating Agreement. The Company shall

amend Exhibit A from time to time to reflect any changes in the amount of capital contributions, the names of the Members or their respective Membership Interests.

Section 6.02 Additional Capital Contributions. (a) While it is the belief and intent of the Members that the Company will operate profitably, the Members recognize that the Company may require additional funds to pay the costs of conducting the Principal Purpose. If, in the judgment of a Supermajority Vote, additional capital funds are required to pay such costs, the additional funds shall be called for by the Company (the “*Call for Funds*”) and shall be contributed by the Members in proportion to their Membership Interests. As used above, the term “costs” shall include, without limitation in so far as such costs emanate from and are essential to the Principal Purpose: principal and interest payments on Company loans, whether or not secured by mortgages on Company properties; additional capital investments; costs of construction, development and maintenance of improvements; insurance premiums; and real estate or other taxes, assessments, and other governmental charges.

(b) In the event a Member is unable or unwilling to make any or all of his proportionate contribution upon a Call for Funds (the “*Defaulting Member*”), upon notice to such Defaulting Member from the Company of such default and the lapse of thirty (30) days from the date of such notice without the Defaulting Member curing the default, then, in addition to such other rights and remedies as may otherwise be available to the Company or the nondefaulting Member(s), the nondefaulting Member(s) may, at the election of a Supermajority Vote of the nondefaulting Member(s) (exclusive of the voting power of the Defaulting Member) (exercisable at any time subsequent to thirty (30) days from the date of the afore described notice), do the following:

- (i) The nondefaulting Member(s) may advance to the Company the funds required of the Defaulting Member pursuant to the Call for Funds as a personal loan by the nondefaulting Member(s) to the Defaulting Member. Such loan shall bear interest at a rate equal to fifteen percent (15.0%) per annum. In such event, all distributions or other payments from the Company which would otherwise be distributed to the Defaulting Member shall be distributed first in order to reduce interest and then principal under such loan. If such loan is not repaid, together with all accrued interest thereon, within six (6) months of the date such funds are advanced by the nondefaulting Member(s) for the benefit of the Defaulting Member, then upon an additional ten (10) days prior written notice to the Defaulting Member, the loan shall be converted to the required capital contribution (a “Cram-Down Contribution”), in which event the nondefaulting Member’s Capital Account shall be increased by, and the Defaulting Member’s Capital Account shall be decreased by, an amount equal to the Cram-Down Contribution. A Cram-Down Contribution shall be deemed a capital contribution by the defaulting Member making (or deemed making) such Cram-Down Contribution as of the date such Cram-Down Contribution is converted from a loan. At the time of a Cram-Down Contribution, the Percentage Financial Rights of the Defaulting Member shall be decreased by the number of percentage points equal in amount to the product of (1) one hundred twenty five percent (125%) multiplied by (2) a fraction, the numerator of which equals the portion (measured in dollars) of the amount of the Cram-Down Contribution, and the denominator of which equals the excess, if any, of (A) the aggregate amount of all capital contributions theretofore contributed by all of the

Members (including the capital contribution made in connection with the Call for Funds with respect to which the provisions of this Section 6.02 are then applicable), in excess of (B) the aggregate amount of distributions to the Members; and the Percentage Financial Rights of the nondefaulting Member shall be increased by such number of percentage points. Once a Cram-Down Contribution has been made (or deemed made) no subsequent payment or tender in respect of the Cram-Down Contribution shall affect the Percentage Financial Rights of the Members, as adjusted in accordance with this Section.

(c) During any period in which a Member is a Defaulting Member, such Member shall not have the authority to act on behalf of the Company, and all management powers of the Company shall be vested in the nondefaulting Member(s); provided, however, that (i) a Supermajority Vote of the nondefaulting Member(s) may authorize any such Defaulting Member to act on behalf of the Company and (ii) a Defaulting Member's Interest may not be terminated, diluted, or transferred without that Member's prior written consent unless and until such Member shall have failed to cure its default in the manner provided and within the time allotted herein.

Section 6.03 Priority and Return of Capital. Except as set forth in Section 6.03 and Section 6.02, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses or Distributions of the Company's assets. This Section 6.03 shall not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company. Subject to any Tax Distributions that may be made from time to time pursuant to Section 7.08 below, and except as may be otherwise expressly agreed in writing by all of the Members, Distributions shall be made on an annual basis, or at such time or times as the Managing Member may determine, to each Member in accordance with his respective Financial Rights.

Section 6.04 Maintenance of Capital Accounts. The Company shall establish and maintain Capital Accounts for each Member. Such Capital Accounts shall be maintained in accordance with Treasury Regulations 1.704-1(b)(iv).

Section 6.05 Distribution of Property. If the Company at any time distributes any of its Property to any Member, the Capital Account of each such Member shall be adjusted to account for the Member's allocable share (as determined under Article VII below) of the Profits or Losses that would have been realized by the Company had it sold the Property that was distributed at its respective fair market value immediately prior to its Distribution.

Section 6.06 Transfer of Financial Rights. In the event of a Transfer of some or all of a Member's Financial Rights in the Company, the Capital Account of the transferring Member shall become the Capital Account of the Member acquiring such Financial Rights, to the extent it relates to the portion of the Financial Rights that are Transferred.

Section 6.07 Compliance with Section 704(b) of the Code. The provisions of this Article VI as they relate to the maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, modified, to cause the allocations of Profits, Losses, income, gain and credit pursuant to Article VII to have substantial economic effect under the Regulations

promulgated under Section 704(b) of the Code, in light of the Distributions made pursuant to Article VII and the Capital Contributions made pursuant to this Article VI. Notwithstanding anything herein to the contrary, this Operating Agreement shall not be construed as creating a deficit restoration obligation or otherwise personally obligate any Member to make a Capital Contribution in excess of the Initial Capital Contribution made by that Member.

ARTICLE VII. ALLOCATIONS AND DISTRIBUTIONS

Section 7.01 Allocations of Profits and Losses. Except as may be required by Section 704(c) of the Code, and Sections 7.02, 7.03, 7.04, and 7.05 of this Article VII, Profits, Losses, and other items of income, gain, loss, deduction and credit shall be apportioned among the Members in proportion to the Membership Interest of each Member.

Section 7.02 Allocations Between Transferor and Transferee. If a Member transfers any part or all of its Membership Interest or if an additional member is admitted pursuant to Section 9.05, the distributive shares of the various items of Profit and Loss allocable among the Members during such Taxable Year of the Company shall be allocated either (a) as if the Company's Taxable Year had ended on the date of the transfer or admission, or (b) based on the number of days of such taxable year before and after the transfer or admission without regard to the results of Company activities in the respective portions of such taxable year. The Company Representative (as specified below), in its sole discretion, shall determine which method shall be used to allocate the distributive shares of the various items of Profits and Losses between the Members and any assignees.

Section 7.03 Company Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain for a Taxable Year, each Member must be allocated items of income and gain for that Taxable Year equal to that Member's share of the net decrease in Company Minimum Gain. A Member's share of the net decrease in Company Minimum Gain is the amount of the total net decrease multiplied by the Member's percentage share of the Company Minimum Gain at the end of the immediately preceding Taxable Year. A Member's share of any decrease in Company Minimum Gain resulting from a revaluation of Company Property equals the increase in the Member's Capital Account attributable to the revaluation to the extent the reduction in Company Minimum Gain is caused by the revaluation. A Member is not subject to this Company Minimum Gain chargeback requirement to the extent the Member's share of the net decrease in Company Minimum Gain is caused by a guarantee, refinancing, or other change in the debt instrument causing it to become partially or wholly a recourse liability or a Member Nonrecourse Liability, and the Member bears the economic risk of loss (within the meaning of Section 1.752-2 of the Regulations) for the newly guaranteed, refinanced, or otherwise changed liability.

Section 7.04 Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Taxable Year shall be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Liability with respect to which such Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(b)(4) of the Regulations.

Section 7.05 Member Minimum Gain Chargeback. If during a Taxable Year there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under Section 1.704-2(i)(5) of the Regulations) as of the beginning of that Taxable Year must be allocated items of income and gain for that Taxable Year (and, if necessary, for succeeding Taxable Years) equal to that Member's share of the net decrease in Member Minimum Gain. A Member's share of the net decrease in Member Minimum Gain is determined in a manner consistent with the provisions of Section 1.704-2(g)(2) of the Regulations. A Member is not subject to this Member Minimum Gain chargeback, however, to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Liability due to a conversion, refinancing, or other change in the debt instrument that causes it to become partially or wholly a Company Nonrecourse Liability. The amount that would otherwise be subject to the Member Minimum Gain chargeback is added to the Member's share of Company Minimum Gain. In addition, rules consistent with those applicable to Company Minimum Gain and Company Minimum Gain chargeback shall be applied to determine the shares of Member Minimum Gain and Member Minimum Gain chargeback to the extent provided under the Regulations issued pursuant to Section 704(b) of the Code.

Section 7.06 Qualified Income Offset. If a Member receives in any taxable year an adjustment, allocation, or distribution described in subparagraphs (4), (5), or (6) of Regulations Section 1.704-1(b)(2)(ii)(d) that causes or increases a negative balance in such Member's Capital Account that exceeds the sum of such Member's shares of Company Minimum Gain and Member Minimum Gain, as determined in accordance with Regulations Sections 1.704-2(g) and 1.704-2(i), such Member shall be allocated specially for such taxable year (and, if necessary, later taxable years) items of income and gain in an amount and manner sufficient to eliminate such negative Capital Account balance as quickly as possible as provided in Regulations Section 1.704-1(b)(2)(ii)(d). After the occurrence of an allocation of income or gain to a Member in accordance with this Section 7.06, to the extent permitted by Regulations Section 1.704-1(b), items of expense or loss shall be allocated to such Member in an amount necessary to offset the income or gain previously allocated to such Member under this Section 7.06.

Section 7.07 Capital Account Deficits. Loss shall not be allocated to a Member to the extent that such allocation would cause a deficit in such Member's Capital Account (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) to exceed the sum of such Member's shares of Company Minimum Gain and Member Minimum Gain. Any Loss in excess of that limitation shall be allocated to the other Members. After the occurrence of an allocation of Loss to any other Member in accordance with this Section 7.07, to the extent permitted by Regulations Section 1.704-1(b), Profit shall be allocated to such other Member in an amount necessary to offset the Loss previously allocated to such other Member under this Section 7.07.

Section 7.08 Tax Distributions; Interim Distributions.

(a) The Managing Member will, at such time(s) as the Managing Member may elect, but in no event less frequently than annually, prior to the due date of the Members' federal and state income tax payments for each calendar year, cause the Company to distribute (but only from Net Cash Receipts) cash in an amount sufficient for each Member (or each Member's constituents) to pay his or its actual or estimated tax payments resulting from his or its Membership Interest, which distributions will be made at such times and in such amounts so that, to the extent possible, the Members may avoid the imposition of any penalties ("***Tax Distributions***"). Such Tax Distributions pursuant to this Section shall be in amounts sufficient to allow such Members to make all income tax payments required to be made by such Members assuming such Members were subject to the highest federal and state income tax rates then in effect for any Member, it being understood that with respect to the portion of the Company's earnings consisting of long term capital gains, the applicable highest rates shall be the long term capital gain rates.

(b) From time to time, the Managing Member may elect to make interim Distributions to the Members from Net Cash Receipts in proportion to each Member's Financial Rights in the Company as of the date of such interim Distribution. An interim Distribution shall be in cash or Property (which need not be distributed proportionately) or partly in both. Tax Distributions must be made prior to any interim Distributions.

Section 7.09 Limitations on Distributions. No Distributions (other than Tax Distributions) shall be made to any Member so long as any amounts then due and payable on any outstanding loans made by the Members to the Company remains unpaid. Once these loans from Members are repaid, Distributions, if any, may be made to the Members in accordance with this Article VII and § 48-249-306 of the Act.

ARTICLE VIII. TAXES

Section 8.01 Elections. The Members may make any tax elections for the Company allowed under the Code or the tax laws of any Taxing Jurisdiction.

Section 8.02 Company Representative.

(a) The Managing Member is authorized to make any and all elections for federal, state and local tax purposes including, without limitation, any election, if permitted by applicable law: (a) to adjust the basis of Company property pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state or local law, in connection with Transfers of Membership Interests and Company distributions; and (b) to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, state or local tax return.

(b) The Managing Member is specifically authorized to designate an individual to act as the "partnership representative" and in any similar capacity under state or local law ("***Company Representative***"). To the extent permitted by law, the Company shall duly and timely elect to under Code Section 6221(b) to opt-out of the new Subchapter 63C, and shall notify each Member of such

election. No Member may transfer its interest in the Company or take any action (or permit any beneficial owner of any Member to transfer its interest or take any action) that, based solely on the facts and circumstances immediately after such transfer or action, would adversely affect the Company's ability to make an effective election under Section 6221(b) of the Code. Any such attempted transfer or action is null and void ab initio and shall not bind the Company.

(c) If the Company receives a notice of final partnership adjustment from the IRS, the Company Representative shall promptly forward a copy of such notice to the Members and their respective legal counsel. The Company Representative shall timely file an election described in Code Section 6226(a) with respect to any notice of final partnership adjustment received by the Company with respect to any Post-TEFRA Period and take such other actions as are required so that Code Section 6225 shall not apply with respect to any imputed underpayment with respect to any adjustment of an item of the Company or any Company's distributive share thereof. Each Member shall take any and all actions necessary to effect such election, including, but not limited to, making any payments required under Code Section 6226(b). In the event that an election described in Code Section 6226(a) is not made with respect to any notice of final partnership adjustment, each Member shall be obligated to make a capital contribution in an amount equal to such Member's share of the imputed underpayment (and any associated interest and penalties) owed by the Company under Code Section 6225.

(d) The Members acknowledge and agree that the provisions of this Section 8.02 shall continue to apply even after a Person ceases to be a Member for any reason, including the termination of this Agreement and the dissolution of the Company.

Section 8.03 Taxes of Taxing Jurisdictions. To the extent that the laws of any Taxing Jurisdiction so require, each Member will submit an agreement indicating that the Member will make timely income tax payments to the Taxing Jurisdiction and that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest and penalties assessed on such income. If the Member fails to provide such agreement, the Company may withhold and pay over to such Taxing Jurisdiction the amount of tax, penalties and interest determined under the laws of the Taxing Jurisdiction with respect to such income. Any such payments with respect to the income of a Member shall be treated as a Distribution for purposes of Article X. The Members may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax, penalties and interest so paid.

Section 8.04 Method of Accounting. The records of the Company shall be maintained on such method of accounting as is determined by the Managing Member. It is intended that the Company will elect those accounting methods permitted under applicable law which provide the Company with the greatest tax benefits.

ARTICLE IX. TRANSFER AND TERMINATION OF MEMBERSHIP INTERESTS

Section 9.01 Limitations on Transfer of Membership Interests. (a) Except for transfers to Permitted Transferees, as defined herein, no Member or Managing Member may Transfer its Membership Interest or any portion thereof or the Membership Interest or any portion thereof of any other Member or Managing Member, except as allowed by this Operating Agreement or by unanimous written consent of the then Members. Any attempt to Transfer a Membership Interest or any portion thereof that does not comply with the terms and conditions of this Operating Agreement shall be void and ineffective.

(b) Any Member shall have the right to make transfers from time to time irrespective of whether any such transfer is *intervivos* or testamentary, of all or a part of his Membership Interest with or without consideration to a (1) a spouse of a Member (other than a spouse who is legally separated under a decree of separate maintenance or a spouse who is a party to a pending divorce proceeding); (2) a descendant of a Member (including descendants by adoption if the adoption was a court approved adoption of a minor under 21 years of age and including any individual for whom the Member is or was at any time a legal guardian); (3) any parent or sibling of a Member; (4) a descendant of a sibling of a Member (including descendants by adoption as defined in Subsection 2 above); (5) a family limited partnership, family corporation or family limited liability company, whose partners, shareholders or members consist solely of a Member and/or Persons described in Subsections 1 through 4 above; (6) a trust created for the benefit of anyone described in Subsections 1 through 4 above; (7) any organization described in any of the following sections of the Code: Section 170(b)(1)(A); Section 170(c); Section 2055(a) or Section 2522(a); and (8) a charitable remainder trust created under Section 664 of the Code (subsections (b)(1) - (b)(8) hereinafter referred to as a “***Permitted Transferee***”). Any Member who makes such a transfer of Membership Interests to a Permitted Transferee shall provide to the Company copies of all documents related thereto and such other information and documents as the Company may reasonably request

Section 9.02 Conditions to Transfer of Membership Interests. As a condition to any Transfer of Membership Interests by a Member permitted hereunder:

(a) prior to the Transfer, the Company must have received from the transferee the information and agreements that the other Members may reasonably require, including, but not limited to, any taxpayer identification number and any agreement that may be required by the Taxing Jurisdiction and an agreement whereby the transferee acknowledges that it will be bound by the terms and conditions of this Operating Agreement; and

(b) the requirements of this Operating Agreement must have been complied with by the parties to the Transfer and the Company.

Section 9.03 Rights of First Refusal. Other than transfers permitted under Section 9.01, a Member who desires to sell or otherwise assign all or any portion of his Membership Interest to a third party may not sell or otherwise assign such interest to the third party without satisfying the requirements of this Section 9.03.

(a) Bona Fide Offer. A Member who desires to sell his Membership Interest to a third party shall obtain a bona fide written offer from the third party to purchase such

Membership Interest, stating the terms and conditions upon which the purchase is to be made and the price to be paid.

(b) Notice of Offer. The Member desiring to sell all or part of his Membership Interest shall serve Notice upon the Company and the other Members stating that he has received a bona fide offer for the sale of his Membership Interest and setting forth the following information:

(i) The portion of the Member's Membership Interest proposed to be sold:

(ii) The name and address and business or occupation of the third party offering to purchase such Membership Interest;

(iii) the sale price and terms and conditions of the bona fide offer; and

(iv) an offer to sell such Membership Interest to the Company and to the other Members at the price and under the terms offered by the third party offeror.

(c) Acceptance of Offer by Company. For a period of fifteen (15) days after the receipt of such Notice, the Company shall have the option to purchase all (but not less than all) of the offered Membership Interest at the price and under the terms of the bona fide offer.

(d) Acceptance of Offer by Members. If the Company fails to exercise said option, the Members shall have the option to purchase all (but not less than all) of the offered Membership Interest on a basis pro rata to their respective Membership Interests at the price and under the terms of the bona fide offer. Such option shall extend for a period of fifteen (15) days after the termination of the Company's option. If some, but less than all, of the Members desire to exercise such option, the rights of the Members exercising the option to purchase the offered Membership Interest shall be on a pro rata basis among such Members, unless otherwise agreed by such Members. If only one Member desires to exercise the option, such Member shall be allowed to do so.

(e) Time, Date and Place of Closing. In the event the Company or the Members, or any one or more of the Members, shall exercise their option to purchase the Membership Interest, the Company or the Members exercising such option to purchase, as the case may be, shall designate the time, date and place of closing; provided, however, that the date of closing shall be within thirty (30) days of the date that the Company or the Members, as the case may be, provide Notice to the selling Member of their election to purchase the Membership Interest.

(f) Declination of Offer. In the event that neither the Company nor the Members shall exercise their option to purchase, as provided herein, the selling Member shall be free to sell the Membership Interest to the third party offeror named in the aforesaid Notice at the price and upon the terms and conditions set forth in such Notice; provided, however, that such sale shall be made within sixty (60) days following the termination of the last option of the Members to purchase the Membership Interest. If the sale is not

consummated within said sixty (60) day period, the provisions of this Section 9.03 shall again be applicable to the Membership Interest, or portion thereof, with respect to which the Member had received the bona fide offer.

Section 9.04 Admission of Additional Members. Except for Permitted Transferees admitted pursuant to Section 9.01, and subject to Supermajority Vote as outlined in Section 4.04(b) and Section 9.05, after complying with Section 9.03 above, persons may be admitted as additional Members only upon the approval of (i) a Supermajority Vote of Members and (ii) Member(s), if any, whose Membership Interest will be reduced by the admission of the additional Member. Any additional Member shall execute and become bound by all of the provisions of this Operating Agreement, as amended to reflect the additional Member. No such additional Member shall be entitled to any retroactive allocation of income, gain, loss, deduction or credit by the Company. The Members may at the time the additional Member is admitted, close the Company's books (as though the Company's Taxable Year had ended) or make pro rata allocations of income, gain, loss, deduction or credit to the additional Member for that portion of the Company's Taxable Year in which the additional Member was admitted in accordance with the provisions of Section 706(d) of the Code and the Regulations.

Section 9.05 [Intentionally Omitted]

Section 9.06 Amendment of Operating Agreement upon a Transfer. Upon any Transfers of all or any portions of Membership Interests or the admission of an additional Member, the Managing Member is hereby authorized to substitute a revised Exhibit A to this Operating Agreement to reflect the changes in ownership of Membership Interests.

Section 9.07 No Separation of Financial Rights and Governance Rights. Unless authorized by a Supermajority Vote of the Members, including the affirmative vote of any Member whose rights are to be so affected, Financial Rights and Governance Rights may not be Transferred independently of one other.

**ARTICLE X.
DISSOLUTION AND WINDING UP**

Section 10.01 Term and Dissolution. The Company shall be dissolved and its affairs wound up as set forth in § 48-249-601, *et seq.* of the Act; provided, however, that (a) dissolution by the Members shall require approval of Members holding at least a Supermajority of the Membership Interests and (b) the Company shall be dissolved and its affairs wound up upon the sale or other disposition (excluding a collateral assignment) of substantially all of the Company Property unless Members holding at least a Supermajority of the Membership Interests affirmatively vote to amend this Operating Agreement in order to continue the existence of the Company.

Section 10.02 Liquidation. Upon dissolution of the Company, the Managing Member shall file with the Tennessee Secretary of State a statement of intent to dissolve, and the Property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the

proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order:

- (a) First, to the payment and discharge of all Company debts and liabilities to creditors other than Members;
- (b) Second, to the payment and discharge of all Company debts and liabilities to Members;
- (c) Third, to the Members to the extent of any positive Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods; and
- (d) The balance, if any, to the Members in proportion to their Financial Interests.

Section 10.03 Deficit Capital Accounts. Notwithstanding anything in this Operating Agreement to the contrary and notwithstanding any custom or rule or law to the contrary, the deficit, if any, in the Capital Account of any Member upon the dissolution of the Company shall not be an asset of the Company, and such Member shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

ARTICLE XI. REPRESENTATIONS OF MEMBERS

Section 11.01 In General. As of the date hereof, each Member hereby makes each of the representations and warranties applicable to such Member as set forth in this Article XI, and such representations and warranties shall survive the execution of this Operating Agreement. Said warranties and representations shall also be made by and shall be binding upon all persons receiving Membership Interests at any time after the date hereof as of the date such persons receive Membership Interests.

Section 11.02 Representation by Members. Each Member, whether an initial Member or one added after the formation of the Company, hereby makes each of the representations and warranties applicable to such Member as set forth below, and such representations and warranties shall survive the execution of this Operating Agreement:

- (a) Each Member hereby represents and warrants that any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance and performance by such Member under this Operating Agreement or the consummation by such Member of any transaction contemplated hereby has been completed, made or obtained on or before the Member's execution of this Operating Agreement.
- (b) The undersigned Members acknowledge (a) that the Membership Interests evidenced by this Operating Agreement have not been registered under the Securities Act of 1933, the Tennessee securities laws or the securities laws of any other state (the "Securities Acts") because the Company is issuing these Membership Interests in reliance upon the exemptions from the registrations requirements of the Securities Acts providing for issuance of securities not involving a public offering, (b) that the Company has relied upon

the fact that the Membership Interests are to be held by each Member (or assignee) for investment, and (c) that exemption from registrations under the Securities Acts would not be available if the Membership Interests were acquired by a Member (or assignee) with a view to distribution. Accordingly, each Member hereby represents and warrants to the Company that such Member is acquiring the Membership Interest for such Member's own account for investment and not with a view to the resale or distribution thereof.

- (c) Prior to acquiring a Membership Interest in the Company, each Member has made an investigation of the Company and its business and has had made available to each such Member all information with respect thereto which such Member needed to make an informed decision to acquire the Membership Interest. Each Member considers himself or itself to be a person possessing experience and sophistication as an investor which are adequate for the evaluation of the merits and risks of such Member's investment in the Membership Interest.

ARTICLE XII. MISCELLANEOUS PROVISIONS

Section 12.01 Conflicts of Interest. No Member or Managing Member violates a duty or obligation to the Company merely because the conduct furthers his or her own interest. No transaction with the Company shall be voidable solely because a Member or Managing Member has a direct or indirect interest in the transaction if the disinterested Members or Managing Member knowing the material facts of the transaction and the Members or Managing Member's interest therein, authorize, approve or ratify the transaction. In furtherance of the foregoing, except for a (i) one-time Two Hundred and Fifty Thousand Dollar (\$250,000.00) cash flow administrative fee to Elmington Affordable, LLC, an affiliate of the Company ("Affordable Platform") and (ii) an agreements in furtherance of the Principal Purpose on commercially reasonable terms, (e.g. agreements for the provision of property management services, general contracting services, and the like), the Company shall enter into no agreements with any Member, Managing Member, immediate family member of any Member or Managing Member, or any entity owned or controlled in whole or part by any Member, Managing Member, or immediate family member of any Member or Managing Member (the foregoing shall also include former Members and Managing Members).

Section 12.02 Amendment or Modification of Operating Agreement. Except as otherwise provided in Section 4.04 and Section 4.05, this Operating Agreement may be amended or modified from time to time only by a written instrument adopted by a Majority Vote of the Members.

Section 12.03 Entire Agreement. This Operating Agreement constitutes the entire agreement among the parties. No party shall be bound by any terms, conditions, statements or representations, oral or written, not herein contained. Each party hereby acknowledges that in executing this Operating Agreement, such party has not been induced, persuaded or motivated by any promise or representation made by any other party, unless expressly set forth herein. All previous negotiations, statements and preliminary instruments by the parties or their representatives are merged in this Operating Agreement.

Section 12.04 Rights of Creditors and Third Parties. This Operating Agreement is entered into by and among the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. This Operating Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by the Act or other applicable statute, no such creditor or third party shall have any rights under this Operating Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

Section 12.05 Interpretation. For and in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members executing this Operating Agreement hereby agree to the terms and conditions contained herein, as it may from time to time be amended according to its terms. It is the express intention of the Members that this Operating Agreement and the Articles shall be the sole source of agreement of the parties, and, except to the extent a provision of the Operating Agreement expressly incorporates Federal income tax rules by reference to sections of the Code or Regulations or is expressly prohibited or ineffective under the Act, the Operating Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. To the extent any provision of this Operating Agreement is prohibited or ineffective under the Act, the Operating Agreement shall be considered amended to the smallest degree possible in order to make the agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make any provision of this Operating Agreement that was formerly invalid valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

Section 12.06 Governing Law. This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Tennessee, and specifically the Act, applied without respect to any conflicts-of-law principles.

Section 12.07 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

Section 12.08 Construction of Terms. Whenever used in this Operating Agreement and when required by the context, the singular number shall include the plural and the plural the singular. Pronouns of one gender shall include all genders.

Section 12.09 Captions. The captions as to contents of particular articles, sections or paragraphs contained in this Operating Agreement are inserted for convenience and are in no way to be construed as part of this Operating Agreement or as a limitation on the scope of the particular articles, sections or paragraphs to which they refer.

Section 12.10 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any agreement or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

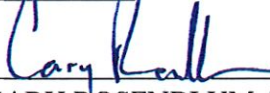
Section 12.11 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

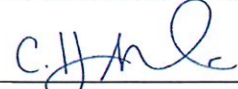
Section 12.12 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

Section 12.13 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement to be effective as of the day and date first set forth above.

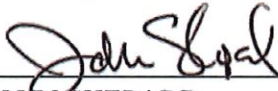
MEMBERS:


CARY ROSENBLUM, TRUSTEE OF
BIG BITE 2025 TRUST


C. HUNTER NELSON, TRUSTEE OF
NELSON FAMILY 2025 TRUST

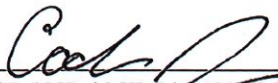

BENJAMIN BREWER, TRUSTEE OF
BRW FAMILY 2025 TRUST


RYAN SEIBELS, TRUSTEE OF
RCS 2025 TRUST

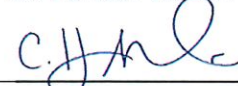

JOHN SHEPARD


JOSEPH HOROWITZ

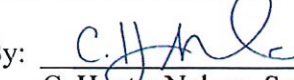

MARK MCCORD


COCHRANE JAMISON


SCOTT SOHR, TRUSTEE OF CANARY
VENTURES TRUST


C. HUNTER NELSON

ELMINGTON AFFORDABLE, LLC

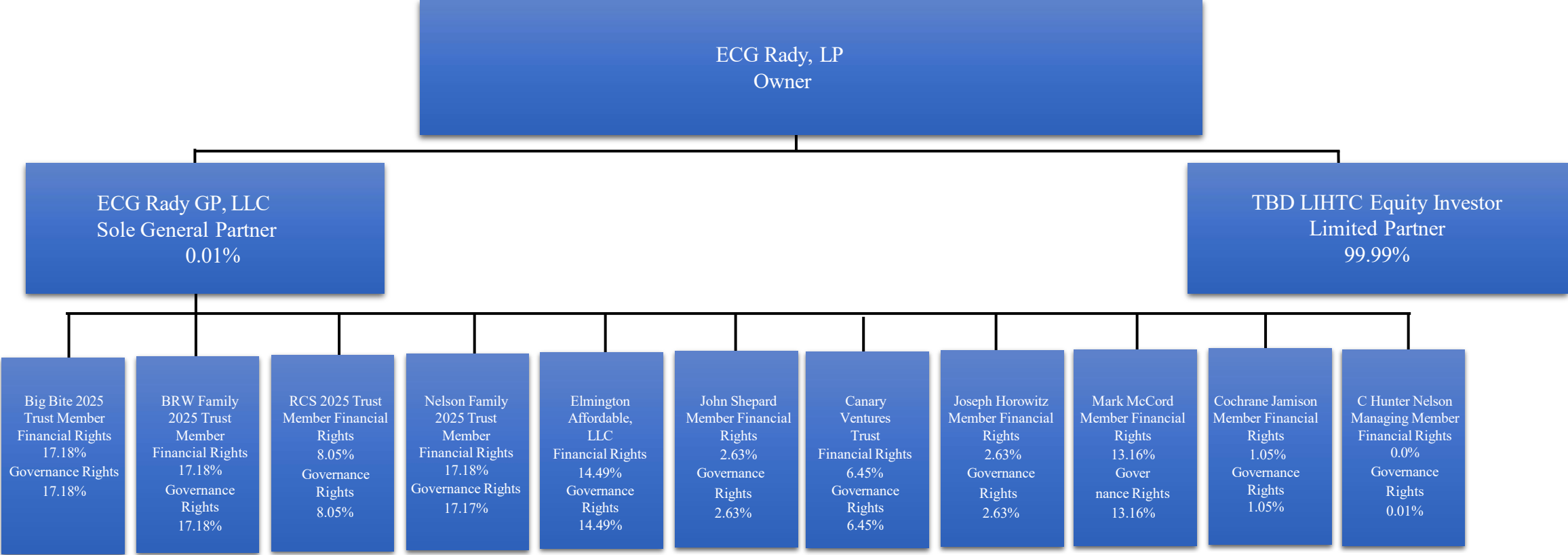
By: 
C. Hunter Nelson, Secretary

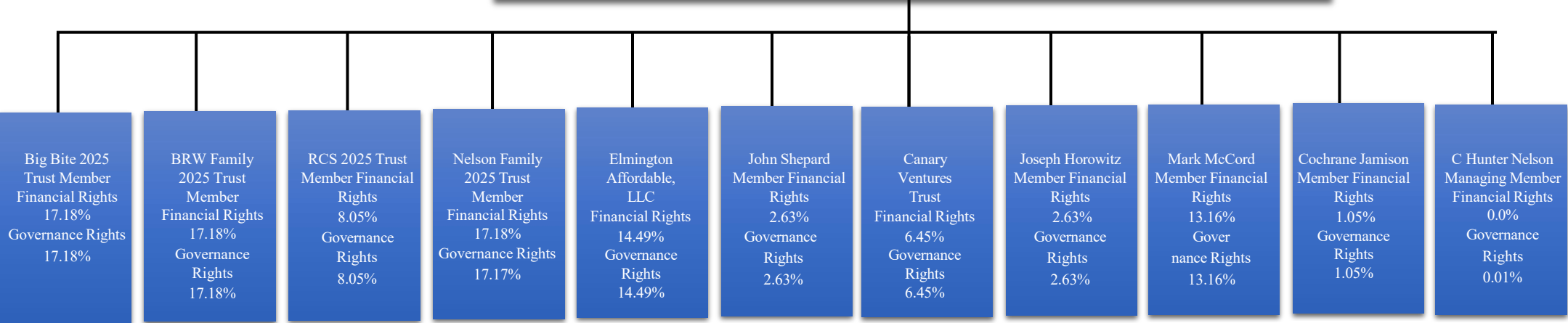
**EXHIBIT A
TO
OPERATING AGREEMENT**

<u>Name</u>	<u>Original Capital Contribution</u>	<u>Percentage Financial Rights</u>	<u>Percentage Governance Rights</u>
Big Bite 2025 Trust	\$17.18	17.18%	17.18%
BRW Family 2025 Trust	\$17.18	17.18%	17.18%
RCS 2025 Trust	\$8.05	8.05%	8.05%
Nelson Family 2025 Trust	\$17.18	17.18%	17.17%
John Shepard	\$2.63	2.63%	2.63%
Joseph Horowitz	\$2.63	2.63%	2.63%
Mark McCord	\$13.16	13.16%	13.16%
Canary Ventures Trust	\$6.45	6.45%	6.45%
Cochrane Jamison	\$1.05	1.05%	1.05%
C. Hunter Nelson	\$0.00	00.00%	00.01%
Elmington Affordable, LLC	\$14.49	14.49%	14.49%
TOTAL	\$100.00	100%	100%

Tab A.4

Organizational Charts





Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Tab B.1:

ECG Rady, LP

Virginia State Corporation Commission Certification

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, June 16, 2025

This is to certify that the certificate of limited partnership of

ECG Rady, LP

was this day admitted to record in this office and that the said limited partnership is authorized to transact its business subject to all Virginia laws applicable to the limited partnership and its business.

Effective date: June 16, 2025



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, likely belonging to Bernard J. Sty, the Clerk of the Commission.

Clerk of the Commission



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

June 16, 2025

Olivia Faye David
424 Church Street
Suite 2910
Nashville, TN, 37219

RECEIPT

RE: ECG Rady, LP
ID: 11862401
FILING NO: 2506168730919
WORK ORDER NO: 202506166288077

Dear Customer:

This is your receipt for \$100.00 to cover the fee for filing a certificate of limited partnership with this office.

The effective date of the certificate is June 16, 2025.

If you have any questions, please call (804) 371-9733 or toll-free 1-866-722-2551.

Sincerely,

Bernard J. Logan
Clerk of the Commission

Delivery Method: Email

New Federal Requirement: Reporting of Beneficial Ownership Information

Beginning January 1, 2024, certain types of corporations, limited liability companies, and other similar entities created in or registered to do business in the United States must report information about their beneficial owners—the persons who ultimately own or control the company—to the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). Additional information about the reporting requirements, including answers to questions such as "is my company required to report beneficial ownership information to FinCEN," "who is a beneficial owner," and "when do I need to report my company's beneficial ownership information" is available on FinCEN's beneficial ownership information webpage, <https://www.fincen.gov/boi>.

Next step: Go to <https://www.fincen.gov/boi> to determine if your new entity needs to report information about their beneficial owners—the persons who ultimately own or control the company—to Treasury's Financial Crimes Enforcement Network (FinCEN).

FinCEN contact information is as follows:

Email: **FRC@fincen.gov**

Website: <https://www.fincen.gov/contact>

Phone number: 1-800-767-2825

To view Corporate Transparency Act Frequently Asked Questions (FAQs) please visit the following link: <https://scc.virginia.gov/pages/Businesses>.

Delivery Method: Email

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, JUNE 13, 2025

The State Corporation Commission has found the accompanying application for a certificate of registration to transact business in Virginia submitted on behalf of

ECG Rady GP, LLC

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it is ORDERED that this

**CERTIFICATE OF REGISTRATION TO TRANSACT BUSINESS IN
VIRGINIA**

be issued and admitted to record with the application in the Office of the Clerk of the Commission, effective June 13, 2025.

The limited liability company is registered to transact business in Virginia, subject to all Virginia laws applicable to the limited liability company and its business.

STATE CORPORATION COMMISSION

By

A handwritten signature in black ink, appearing to read "Samuel T. Towell", with a long horizontal flourish extending to the right.

Samuel T. Towell
Commissioner

Tab B.2:

ECG Rady GP, LLC

Virginia State Corporation Commission Certification

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, June 13, 2025

This certificate of registration to transact business in Virginia is this day issued for

ECG Rady GP, LLC

a limited liability company organized under the laws of Tennessee and the said limited liability company is authorized to transact business in Virginia, subject to all Virginia laws applicable to the company and its business.



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, reading "Bernard J. Hyatt".

Clerk of the Commission



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

June 13, 2025

Olivia Faye David
424 Church Street
Suite 2910
Nashville, TN, 37219

RECEIPT

RE: ECG Rady GP, LLC
ID: 11861427
FILING NO: 2506138724734
WORK ORDER NO: 202506136282194

Dear Customer:

This is your receipt for \$100.00 to cover the fee for filing an application for a certificate of registration for a limited liability company with this office.

This is also your receipt for \$100.00 to cover the fee for expedited service.

The effective date of the certificate of registration is June 13, 2025.

If you have any questions, please call (804) 371-9733 or toll-free 1-866-722-2551.

Sincerely,

Bernard J. Logan
Clerk of the Commission

Delivery Method: Email

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, JUNE 13, 2025

The State Corporation Commission has found the accompanying application for a certificate of registration to transact business in Virginia submitted on behalf of

ECG Rady Developer, LLC

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it is ORDERED that this

**CERTIFICATE OF REGISTRATION TO TRANSACT BUSINESS IN
VIRGINIA**

be issued and admitted to record with the application in the Office of the Clerk of the Commission, effective June 13, 2025.

The limited liability company is registered to transact business in Virginia, subject to all Virginia laws applicable to the limited liability company and its business.

STATE CORPORATION COMMISSION

By

A handwritten signature in black ink, appearing to read "Samuel T. Towell", with a long, sweeping horizontal line extending to the right.

Samuel T. Towell
Commissioner

Tab B.3:

ECG Rady Developer, LLC

Virginia State Corporation Commission Certification

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, June 13, 2025

This certificate of registration to transact business in Virginia is this day issued for

ECG Rady Developer, LLC

a limited liability company organized under the laws of Tennessee and the said limited liability company is authorized to transact business in Virginia, subject to all Virginia laws applicable to the company and its business.



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, reading "Bernard J. Hyatt".

Clerk of the Commission



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

June 13, 2025

Olivia Faye David
424 Church Street
Suite 2910
Nashville, TN, 37219

RECEIPT

RE: ECG Rady Developer, LLC
ID: 11861428
FILING NO: 2506138724739
WORK ORDER NO: 202506136282207

Dear Customer:

This is your receipt for \$100.00 to cover the fee for filing an application for a certificate of registration for a limited liability company with this office.

This is also your receipt for \$100.00 to cover the fee for expedited service.

The effective date of the certificate of registration is June 13, 2025.

If you have any questions, please call (804) 371-9733 or toll-free 1-866-722-2551.

Sincerely,

Bernard J. Logan
Clerk of the Commission

Delivery Method: Email

Tab C:

Syndicator's or Investor's Letter of Intent
(MANDATORY)



January 8, 2026

Mark McCord
EVP, Development
Elmington Capital
1030 16th Ave South, Suite 500
Nashville, TN 37212

RE: Rady Street Apartments, Richmond, VA

To whom it may concern:

The purpose of this letter is to confirm that Red Stone Equity Partners ("Red Stone") is interested in providing an equity investment to Elmington Capital (the "Sponsor") proposed development currently known as Rady Street Apartments (the "Project"). Described below are some basic terms, conditions, and assumptions upon which our investment would be based:

Project Information: The Project will consist of the new construction of 288 units for rent to low-income families located in the City of Richmond, Richmond County within the Commonwealth of Virginia. Within the Project, 288 of the units are expected to be Housing Credit compliant, with no additional units being designated as management units. The Project is expected to close in December 2026, and construction is expected to be completed in December 2028. Equity pay-ins are structured as follows: 15% at Closing, 50% at 50% completion, 10% at Construction Completion, and the remaining 25% at Perm Loan Closing and upon receipt of 8609's.

Tax Credits: The Project is applying for an allocation of 4% low-income housing tax credits ("Housing Credits") from the Virginia Housing Development Authority (the "Agency") for the year 2026 in an annual amount of \$4,328,022. The total Housing Credits anticipated to be delivered to the Project is \$43,280,218 (the "Projected Federal LIHTC"). Red Stone anticipates acquiring its interest in the Project for a total capital contribution of \$38,952,200.

Required Reserves: **Operating Reserve:** The Project will fund and maintain an operating reserve, to be funded from capital contributions, in an amount equal to six (6) months of operating expenses, must-pay debt service, and replacement reserve deposits.

Replacement Reserve: The Project operating expenses will include the funding of a replacement reserve in the amount of \$300 per unit or such other amount specified by the Project lenders; increasing by 3% per annum.

Construction Contract: The Sponsor will arrange for a fixed or guaranteed maximum price construction contract in the anticipated amount of \$65,212,300 with a minimum contingency equal to 5% of the contract sum.

Fees: **Developer Fee:** The Developer will earn a developer fee of \$5,000,000. The deferred amount is projected to be \$3,211,740 and will accrue interest at the rate of 5% per annum, or such other interest rate acceptable to tax counsel. The balance of the developer fee that is not permanently deferred is projected to be \$1,788,260 and will be paid out of the capital contributions. The deferred amount will be payable out of available cash flow and will mature on the 15th anniversary of the placed-in-service date.

Property Management Fee: The property management fee will not exceed a total of 3.50% of gross collected rents.

Asset Management Fee: The Project will pay Red Stone an annual asset management fee in an amount equal to \$10,000 per annum. The asset management fee will increase annually by 3%.

Due Diligence Fee: The Project will pay Red Stone a one-time due diligence fee of \$50,000 at closing to reimburse legal costs associated with the Project.

Construction Debt**Financing:**

It is expected that the Project will be financed with a first-lien position construction loan, in the maximum amount of \$65,000,000 with an approximate interest rate of 6.00% and a term of no less than 24 months.

Permanent Debt**Financing:**

It is expected that the Project will be financed with a permanent hard loan in the maximum amount of \$48,555,741 with an approximate interest rate of 6.00%, a term of 480 months, and an amortization period of 480 months.

In addition to the permanent hard loan, it is expected that the Project will be financed with a second-lien position permanent soft loan from ANSH in the maximum amount of \$2,500,000.

The investment is subject to the execution of a formal letter of intent, satisfactory completion of our normal underwriting and due diligence, as well as approval of our Investment Committee and Red Stone's investor(s).

Red Stone looks forward to working with the Sponsor and the Agency to serve the housing needs of Virginia.

If you have any questions, please feel free to contact me.

Sincerely,

By: 

Name: Darren T. Swanson

Title: Managing Director

Tab D:

Any Supporting Documentation related to List of
LIHTC Developments (Schedule A)

Elmington Capital Affordable Housing Track Record

Wednesday, January 14, 2026

Completed Projects and Acquisitions

Property Name	City	State	Units	Program	Residents	Placed in Service Date
<i>Hickory Lake Apts</i>	Nashville	TN	322	4%	Family	2/1/2015
<i>Crescent Bluff I</i>	Memphis	TN	72	9%	Family	12/20/2012
<i>Crescent Bluff II</i>	Memphis	TN	172	9%	Family	7/31/2015
<i>2nd Street Flats</i>	Memphis	TN	64	9%	Family	7/13/2015
<i>The Carroll Building</i>	Waterbury	CT	35	9%	Family	10/5/2016
<i>ECG Station (Hallmark Station)</i>	Nashville	TN	66	9%	Family	12/27/2013
<i>Patterson Flats</i>	Memphis	TN	194	4%	Family	6/26/2018
<i>Uptown Flats</i>	Memphis	TN	155	4%	Family	6/26/2018
<i>Hermitage Flats</i>	Nashville	TN	267	4%	Family	6/13/2019
<i>Robinson Flats</i>	Nashville	TN	209	4%	Senior (62+)	11/18/2019
<i>Forum Flats</i>	Memphis	TN	205	4%	Family	12/17/2020
<i>Chestnut Flats</i>	Chattanooga	TN	199	4%	Family	9/19/2019
<i>12th & Wedgewood</i>	Nashville	TN	153	4%	Family	12/27/2019
<i>Southside Flats (Martin Mill)</i>	Knoxville	TN	172	4%	Family	4/20/2020
<i>Oakwood Flats</i>	Nashville	TN	280	4%	Family	5/5/2020
<i>Flats at Pond Gap</i>	Knoxville	TN	102	4%	Family	3/22/2021
<i>Patten Towers</i>	Chattanooga	TN	221	4%	Senior	12/31/2020
<i>Young High Flats</i>	Knoxville	TN	156	4%	Family	3/31/2021
<i>Burkle & Main</i>	Memphis	TN	126	4%	Family	10/6/2021
<i>Hillside Flats</i>	Nashville	TN	290	4%	Family	8/31/2021
<i>Archdale Family</i>	Charlotte	NC	202	4%	Family	9/9/2022
<i>Archdale Senior</i>	Charlotte	NC	131	4%	Senior (55+)	11/18/2022
<i>Moss Grove</i>	Knoxville	TN	192	4%	Family	12/1/2021
<i>North Lights</i>	Nashville	TN	210	4%	Family	3/15/2022
<i>Hobson Flats</i>	Nashville	TN	324	4%	Family	8/5/2022
<i>Freedom Flats</i>	Charlotte	NC	220	4%	Family	12/22/2023
<i>The Heights at 8721 (Old Manor)</i>	Austin	TX	207	4%	Senior (55+)	3/6/2024
<i>Wildhorse Flats</i>	Austin	TX	310	4%	Family	3/6/2024
<i>Millington Flats (Wilkinson)</i>	Millington	TN	80	9%	Family	10/10/2022
<i>The Flats at 2109 (Ashley Flats)</i>	Charlotte	NC	150	4%	Family	8/29/2023
<i>3600 Capitol (Capitol View Flats)</i>	Austin	TX	324	4%	Family	12/11/2023
<i>The Heights at 8200 (Poplar Bend)</i>	Nashville	TN	329	4%	Family	3/6/2024
<i>Yager Flats</i>	Austin	TX	300	4%	Family	10/31/2024
<i>East Side Flats</i>	Charlotte	NC	159	4%	Family	9/20/2024
<i>Tillman Cove</i>	Memphis	TN	219	4%	Family + Senior	6/20/2024
<i>101 Factory</i>	Nashville	TN	204	4%	Family	4/3/2024
<i>Monrovia at Creekside (Old Monrovia)</i>	Huntsville	AL	198	4%	Family	2/22/2024
<i>North River Flats</i>	Nashville	TN	250	4%	Family	4/24/2025

Property Name	City	State	Units	Program	Residents	Placed in Service Date
<i>Dry Creek</i>	Harvest	AL	177	4%	Family	11/18/2024
<i>McCrory Flats</i>	Nashville	TN	251	4%	Family	6/12/2025
<i>Ridge Road</i>	Tallahassee	FL	250	4%	Family	6/16/2025
<i>Union Commons Family</i>	Cincinnati	OH	262	4%	Family	2/13/2025
<i>Union Commons Senior</i>	Cincinnati	OH	126	4%	Senior (55+)	9/30/2024
<i>Clarksville Heights</i>	Clarksville	TN	64		Family	4/17/2025
<i>Kingspark Commons</i>	Charlotte	NC	176	4%	Family	8/8/2025
<i>Daffan Flats</i>	Austin	TX	247	4%	Family	11/13/2025
<i>Flats at West Blvd.</i>	Charlotte	NC	199	4%	Family	10/14/2025
<i>Brownsville</i>	Brownsville	TN	86	9%	Family	10/16/2025
TOTAL			9,307			

Tab E:

Site Control Documentation & Most Recent Real
Estate Tax Assessment (MANDATORY)

Tab E.1

Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is made and entered into as of the Effective Date (as hereinafter defined), by and between **2811 RADY, LLC**, a Virginia limited liability company ("Seller") and **ECG ACQUISITIONS, LLC**, a Tennessee limited liability company ("Purchaser").

WHEREAS, Seller is the owner of approximately 22.87 acres of unimproved real property located at 2811 Rady Street, Richmond VA 23222 and bearing City of Richmond, Virginia (the "City") Parcel ID No. **N0000720017** (the "Property").

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, the Property upon the terms, covenants and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and provisions herein contained, the payment of the Earnest Money hereinafter specified, and other good and valuable consideration, the parties hereto agree as follows:

1. **Sale of Property.** Seller hereby agrees to sell and convey, and Purchaser agrees to purchase, all of Seller's right, title and interest to the Property together with all improvements therein and thereon and all tenements, hereditaments, easements, appurtenances, rights, privileges and immunities belonging or related thereto.
2. **Purchase Price.** The purchase price payable for the Property is Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000.00) (the "Purchase Price"). The Purchase Price shall be paid by the Purchaser in all cash in U.S. currency at the Closing described in Section 4 below.
3. **Earnest Money.**
 - (a) **Initial Earnest Money.** Within five (5) business days following the Effective Date of this Agreement, Purchaser shall deliver to Old Republic National Title Insurance Company, with an address of 1800 Bayberry Court, Suite 104, Richmond, VA 23226 (the "Escrow Agent" or "Title Company"), in part payment of the Purchase Price, an initial earnest money deposit in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00) (the "Initial Earnest Money"). The Initial Earnest Money shall be held and disbursed as follows: (i) Prior to the expiration of the Inspection Period, as hereinafter defined, the entire amount of the Initial Earnest Money shall be fully refundable to Purchaser upon Purchaser's exercise of its right to terminate this Agreement as set forth in Section 5(a); (ii) at the expiration of the Inspection Period, provided Purchaser has not terminated this Agreement, the Initial Earnest Money shall thereafter be considered nonrefundable except in the event that (i) Seller defaults under the terms of this Agreement beyond any applicable cure period or (ii) as provided in Section 13.
 - (b) **Additional Earnest Money.** Upon the expiration of the Inspection Period, provided

Purchaser has not terminated this Agreement in accordance with Section 5(a), Purchaser shall deliver to Escrow Agent, as partial payment of the Purchase Price, an additional earnest money deposit in the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) (the "Additional Earnest Money", and together with the Initial Earnest Money, the "Earnest Money"). The Additional Earnest Money shall be considered non-refundable except in the event that (i) Seller defaults under the terms of this Agreement beyond any applicable cure period or (ii) as provided in Section 13.

4. **Closing**. The closing of the purchase and the delivery of the title to and possession of the Property to Purchaser (the "Closing") shall occur in escrow through Escrow Agent on or before the earlier of (i) sixty (60) days following the expiration of the Inspection Period or (ii) sixty (60) days following the SUP Approval as defined in Section 5(d) (the "Closing Date"); provided that Purchaser may extend the Closing Date for two (2) successive periods of forty-five (45) days (each, a "Closing Extension") by delivering to Seller written notice of its exercise of such extension prior to the then-scheduled Closing Date, and delivering to Escrow Agent an additional Fifty Thousand and No/100 Dollars (\$50,000.00) for each extension exercised by Purchaser (each a "Closing Extension Deposit" and collectively, the "Closing Extension Deposits", and, together with the Earnest Money, collectively, the "Deposits"). For the avoidance of doubt, the parties acknowledge and agree that the exercise of a Closing Extension shall not extend the Inspection Period as defined in Section 5. TIME BEING OF THE ESSENCE. The Closing Extension Deposits shall be applied as a credit against the Purchase Price at Closing and shall be non-refundable to Purchaser except in the event that (i) Seller defaults under the terms of this Agreement beyond any applicable cure period or (ii) as provided in Section 13.

5. **Inspection Period**.

(a) **Inspection Period**. Purchaser shall have until the earlier of (i) one hundred fifty (150) days after the Effective Date or (ii) thirty (30) days after the SUP Approval (as hereinafter defined) to conduct a due diligence investigation (the "Inspection Period"). Within ten (10) days following the Effective Date, Seller shall provide to Purchaser copies of all contracts, leases (if applicable), tax statements, engineering reports and studies, environmental reports, surveys, zoning approvals, utility letters, and all other plans, reports or studies of any nature whatsoever regarding the Property which are in Seller's possession or control of Seller. Seller makes no representations or warranties as to the truthfulness or accuracy of the due diligence materials. If Purchaser desires to rely on any of the due diligence materials, Purchaser shall be responsible for obtaining from the person or company that prepared such due diligence materials confirmation of Purchaser's right to rely thereon. Notwithstanding anything in this Agreement to the contrary, if Purchaser determines, for any reason or no reason, in Purchaser's sole discretion, that the Property is not acceptable to Purchaser, Purchaser may terminate this Agreement upon written notice to Seller at any time prior to the expiration of the Inspection Period, in which event the Initial Earnest Money shall be promptly refunded to Purchaser, subject to the provisions of Section 3, above. As additional consideration for the right to terminate granted herein, Purchaser agrees that, in the event Purchaser so terminates this Agreement, Purchaser shall

promptly deliver to Seller, without representation or warranty of any kind, copies of all third-party created and non-proprietary studies, reports, surveys and due diligence materials obtained by Purchaser in connection with its examination and inspection of the Property (but not to include any internally generated reports, proformas, projections, construction plans or drawings, or other proprietary materials).

(b) Access. During the period between the Effective Date and the Closing Date, Purchaser and its agents shall have the right to conduct investigations and studies upon the Property and to enter upon the Property upon reasonable notice and subject to the rights of tenants thereon (if applicable) for such purposes (“Purchaser Studies”); provided, however that if Purchaser desires to perform invasive testing of the Property, it shall first obtain the prior written approval of Seller, which approval shall not be unreasonably withheld. Purchaser agrees that all inspections and investigations of the Property by Purchaser shall be performed in compliance with all applicable laws. Purchaser, its contractors, subcontractors, consultants and agents may enter the Property to conduct the studies and shall do so at its own risk and shall be responsible for the acts and omission of and injuries to its agents, employees, representatives and consultants. Prior to gaining access to the Property, Purchaser, for itself and for its agents, employees, representatives contractors, and consultants, shall provide Seller satisfactory evidence of general liability and “all risk” insurance from an insurance carrier reasonably acceptable to Seller, with at least \$2,000,000 single limit “per occurrence” coverage. Purchaser shall keep the Property free and clear of any liens. If any of Purchaser’s Studies disturb the Property and Closing does not occur hereunder, for any reason, Purchaser shall restore the Property to the same condition as existed prior to any such studies. Purchaser shall indemnify and hold harmless Seller from and against all loss and expense paid or incurred by Seller if, and to the extent, the same result from or arise out of or in connection with Purchaser’s Studies, or any actions incident thereto, including any liens or other encumbrances filed against the Property in connection with any work performed as part of Purchaser’s Studies. Notwithstanding any contrary provisions contained in this Agreement, in no event shall Purchaser be liable for any diminution in value of the Property resulting from its discovery of any existing condition affecting the Property.

(c) Entitlements. Seller shall cooperate, at no out-of-pocket cost to Seller, with all reasonable requests of Purchaser in connection with Purchaser’s pursuit of all zoning and land use approvals and other entitlements from applicable governmental authorities in connection with Purchaser’s proposed development on the Property, including without limitation the execution and recording of plats of subdivision.

(d) Special Use Permit. Seller hereby acknowledges that Purchaser intends to use the Property as a multifamily apartment complex (the “Intended Use”), which will require Purchaser to obtain the unconditional approval of certain permits for the development of the Intended Use, including, zoning approvals, site plan approvals, construction plan approvals, site grading and land disturbance permits, building permits, wetlands permits, curb cut approvals, and other Federal, State, and City approvals and permits that Purchaser deems, in its discretion, necessary or desirable for the development of the Intended Use (collectively, the “Special Use Permit”). Purchaser, at its sole expense,

shall diligently and in good faith apply for the Special Use Permit. Seller shall cooperate with Purchaser's efforts to obtain the Special Use Permit. Within five (5) business days after Seller receives written request from Purchaser, Seller shall execute any and all plans, plats, applications, and all similar documents reasonably required by the appropriate governmental authority for the Special Use Permit. Notwithstanding the foregoing, Seller shall have no obligation to sign or deliver to Purchaser any such applications, permits, or related documents the effect of which would be to impair, harm or denigrate the value of the Property, or obligate Seller to perform certain work or pay additional costs or expenses for the ownership of the Property. Seller shall not be required to pay for any costs in connection with such documents. Purchaser shall pay all increases in real estate taxes assessed against the Property due to this Special Use Permit, if any. Notwithstanding anything to the contrary in this Agreement, Purchaser's obligation to close the transaction contemplated herein shall be conditioned on Purchaser first obtaining Special Use Permit approval from the appropriate governmental authorities for the Intended Use prior to the expiration of the Inspection Period (the "SUP Approval"). For the purposes of this Agreement, SUP Approval shall be satisfied if such approval is granted without condition, or if such approvals are subject to any condition, Purchaser determines in Purchaser's sole discretion that such conditions are acceptable.

6. **Expenses.**

(a) Prorations at Closing. Seller and Purchaser are not aware of any items of income or expense related to the Property, other than property taxes. If and to the extent that there exist any items of income or expense related to the Property, Purchaser and Seller agree that all items of income and expense related to the Property shall be apportioned and prorated by Escrow Agent as between the Seller and the Purchaser to the date of Closing and assumed by Purchaser.

(b) Closing Costs.

(i) Seller shall pay the following costs and expenses in connection with the Closing: Seller's costs of preparing the Deed and the grantor's tax thereon, Seller's attorney's fees, and all recording costs and transfer taxes charged by the office recording any releases to be recorded for any mortgages, deeds of trust, or other liens recorded against the Property;

(ii) Purchaser shall pay the following costs and expenses in connection with the Closing: title search and examination fees; Purchaser's costs associated with its due diligence of the Property, including Purchaser's Studies, the cost of the Survey; all recording costs, transfer taxes, and indebtedness taxes charged by the City's Clerk's Office recording the Deed, any deed of trust, and any other documents to be recorded relating to the transfer of the property or Purchaser's financing, if any; the premium costs payable for the owner's policy of title insurance in an amount equal to the Purchase Price from the Title Company; and Purchaser's costs of document preparation and attorney's fees.

(c) Real Estate Taxes. Real estate taxes for the year of Closing shall be

apportioned and prorated by Escrow Agent as between the Seller and the Purchaser to the date of Closing and payment thereof assumed by Purchaser. If the amount of the said property taxes is not yet known, they shall be apportioned based upon the assessment and rate for the previous year. The prorations of real estate taxes at Closing shall be final and not subject to readjustment after Closing.

7. Title to be Conveyed.

(a) Title to the Property shall be conveyed by special warranty deed conveying good and marketable title, free of all interests, liens, and encumbrances, except (i) current real estate taxes which are a lien but not yet payable; and (ii) any Permitted Exceptions (as defined below).

(b) Title to the Property shall be good and marketable and shall be insurable at regular rates by the Title Company, free and clear of any and all monetary liens and encumbrances except for (i) those matters approved or deemed approved by Purchaser pursuant to subsection 7.c. below, and (ii) the lien of real estate taxes subsequent to the time of the Closing not yet due and payable.

(c) Purchaser shall have until sixty (60) days following the Effective Date to report to Seller in writing any survey or title defects regarding the Property that are disclosed by Purchaser's examinations which, in Purchaser's sole discretion, are not acceptable to Purchaser. Seller shall have the right, but not the duty, to cure any such survey or title objections reported by Purchaser. Within seven (7) days after receipt of notice of any survey or title objections (the "Purchaser's Notice"), Seller shall notify Purchaser whether Seller will cure such objections. If Seller notifies Purchaser that Seller is unable or unwilling to cure such objections to Purchaser's satisfaction prior to Closing or fails to respond to Purchaser's Notice within seven (7) days, then, notwithstanding anything herein to the contrary, Purchaser shall, at its option, by notice given no later than seven (7) days after Seller notifies Purchaser that it will not cure Purchaser's objections, or if Seller fails to respond to Purchaser's Notice within seven (7) days after the deadline for such response, either (a) terminate this Agreement, in which event Escrow Agent shall promptly return the Initial Earnest Money to Purchaser, and thereafter Seller and Purchaser shall have no further rights, obligations, or liabilities to each other under this Agreement, except as otherwise expressly set forth in this Agreement; or (b) waive such defects and proceed to Closing, with no reduction in the Purchase Price; provided, however, that all mortgages, deeds of trusts, and other monetary liens must be paid by Seller at Closing, and the parties hereby authorize application of the Purchase Price proceeds to effect the same. Any matters of title or survey not timely objected to by Purchaser shall be deemed waived.

8. Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants to Purchaser as follows, which shall be true as of the date of this Agreement and as of the Closing Date and shall survive Closing for a period of six (6) months:

(a) Authority of Seller. Seller has the right and authority to enter into this Agreement and to sell the Property in accordance with the terms and conditions hereof.

(b) Environmental Matters. Seller has received no written notice from any governmental body or agency of any violation or alleged violation of any applicable law with respect to any hazardous materials on, under or adjacent to the Property.

(c) Management Agreements, Leases, and Service Contracts. There are no existing leases, real estate management agreements, maintenance agreements, security contracts, service contracts, or other agreements affecting the Property that will affect the Property or be binding on Purchaser after the Closing that cannot be terminated without premium or penalty on thirty (30) days' notice. No parties are in possession of the Property or have the right to possession thereof under any verbal or written agreement.

(d) Condemnation. There are no condemnation or eminent domain proceedings pending against the Property, and Seller has received no written notice and has no knowledge of any such proposed condemnation or eminent domain proceeding.

(e) Litigation. There is no litigation pending against or involving the Property or Seller, and Seller has received no written notice of any threat of such litigation.

(f) No Known Violations. Seller has received no notices of a violation relating to the Property of any law, rule, regulation, ordinance or other requirement from any governmental or regulatory authority. Seller has no knowledge of any uncured violations of federal, state or municipal laws, ordinances, orders, regulations or requirements affecting any portion of the Property. Seller shall give to Purchaser prompt notice of the institution of any such matter or proceeding prior to Closing, including, without limitation, any environmental or land use law, rule, ordinance or regulation applicable to the Property.

(g) Operation of the Property. Between the Effective Date and the Closing, Seller shall not, without the prior written consent of Purchaser, (i) enter into any leases or tenancies with respect to the Property, (ii) enter into any service or maintenance agreements that are not terminable without premium or penalty upon thirty (30) days written notice, (iii) modify or release any warranties or guaranties with respect to the Property, or (iv) grant any encumbrances on the Property or contract for any construction or service for the Property which may impose any mechanics or materialmen's liens on the Property.

Except for the foregoing representations and as otherwise provided herein, Seller makes no representations or warranties with respect to the Property and Purchaser acknowledges and agrees that the Property is being sold "AS IS, WHERE IS," and that Purchaser is relying on its own inspections, consultants and inquiries with respect to the Property and all related matters.

The Purchaser represents and warrants as of the Effective Date and shall be deemed to represent and warrant as of Closing that (i) there is no agreement to which Purchaser is a party or, to Purchaser's knowledge, is binding on Purchaser, which adversely affects Purchaser's ability to perform its obligations under this Agreement; and (ii) that Purchaser is (a) (i) not currently identified on the Specially Designated Nationals and Blocked

Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury (“OFAC”) and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Purchaser constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person, and (c) no Embargoed Person has any interest of any nature whatsoever in Seller (whether directly or indirectly). Purchaser’s representations and warranties herein shall survive Closing for a period of six (6) months.

9. **Delivery of Documents by Seller.** At or before the Closing, Seller shall, at Seller’s expense, execute, acknowledge and deliver to Purchaser, or its designated nominee or assigns, the following:

(a) A special warranty deed (the “Deed”) in recordable form conveying title in accordance with the terms of Section 7, subject only to the Permitted Exceptions.

(b) An assignment of all warranties, permits, licenses and intangible personal property, if any;

(c) a certificate given under penalty of perjury and on a form approved under temporary regulations promulgated under Section 1445 of the Internal Revenue Code of 1986, as amended, that Seller is not a foreign person;

(d) possession of the Property free of the rights and claims of others;

(e) such other documents and papers that may be reasonably necessary to the consummation of the transaction described in this Agreement or may be reasonably requested by Purchaser or Purchaser’s counsel; and

(f) An owner’s affidavit regarding liens and leases in form reasonably satisfactory to the Title Company sufficient to permit the Title Company to issue its standard ALTA owner’s coverage policy of title insurance without exception for (i) unpaid laborers’ and materialmen’s liens resulting from expenses; (ii) parties in possession; (iii) unrecorded easements; and (iv) any matters arising during the “gap” between the date of the Title Commitment and Closing.

10. **Delivery of Documents by Purchaser.** At or before the Closing, Purchaser shall, at Purchaser’s expense, execute, acknowledge and deliver to Seller, the following:

(a) Any documents reasonably requested by the Title Company; and

(b) The Purchase Price.

11. **Default and Remedies.** In the event that either party deems the other party to be in default, the non-defaulting party shall provide to the other party a written notice of default and 10-

day opportunity to cure, unless the claimed default is a failure to deliver closing documents or Purchase Price at Closing, in which case the applicable cure period shall be two (2) days, before proceeding to exercise its remedies hereunder. In the event of a default by Purchaser, not cured within the applicable cure period, Seller may, as its sole and exclusive remedy, terminate this Agreement, in which event Seller may retain the Deposits as fixed, agreed and liquidated damages. If Seller defaults hereunder and fails to cure such default within the applicable cure period, Purchaser as its sole and exclusive remedies shall elect to either (i) terminate this Agreement, in which event the Deposits shall be promptly refunded to Purchaser, and recover from Seller the out-of-pocket costs expended by Purchaser in connection with this Agreement and the transactions contemplated hereby in an amount not to exceed Sevent-Five Thousand Dollars (\$75,000.00) or (ii) to seek specific performance of this Agreement by appropriate pleading filed in the Circuit Court of the City within 90 days after such default (and deduct from the Purchase Price all reasonable costs, including reasonable attorneys' fees and costs actually incurred by Purchaser in connection with such action to enforce specific performance of this Agreement), or (iii) waive such default and proceed to Closing. Purchaser shall not have any claim for damages of any kind other than as provided for by the exclusive remedies set forth above, and specifically excluding consequential damages or lost profits.

12. **Commission.** Both parties represent to each other that no brokers have been involved in this transaction other than Dennis Shubert of NAI Dominion ("Seller's Broker"). Seller shall be responsible to pay at Closing, if Closing occurs, the commission due to Seller's Broker on the sale of the Property per a separate agreement. Each party agrees to indemnify the other from any other claims for commissions or similar fees for brokers or others claiming through such party. The provisions of this Section 12 shall survive the Closing.
13. **Casualty or Condemnation.** If, prior to the Closing Date, any material portion of the Property is destroyed or damaged by casualty or taken or appropriated by eminent domain or similar proceedings, then Purchaser shall have the option to terminate this Agreement by giving written notice thereof to Seller within ten (10) days of Seller's written notice to Purchaser of such condemnation and Purchaser shall receive a refund of the Deposits and thereafter the parties shall have no further liability to one another. If Purchaser does not elect to terminate the Agreement, or if an immaterial portion of the Property is taken or destroyed, Seller shall assign and turn over to Purchaser the right to the condemnation award and/or insurance proceeds, if any, and the parties shall proceed to close without abatement of the Purchase Price.
14. **Notice.** Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if delivered by hand by messenger at the address of the intended recipient, sent prepaid by guaranteed overnight delivery service, or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed as follows:

Notice to the Seller shall be addressed to:

2811 Rady, LLC

c/o John Payne
10411 Hall Industrial Drive
Fredericksburg, VA 22408
jpayne@paynetrucking.com

with copy to:

Hirschler Fleischer
725 Jackson Street, Suite 200
Fredericksburg, VA 22401
Attention: John F. McManus, Esquire
jmcmanus@hirschlerlaw.com

Notice to the Purchaser shall be addressed to:

ECG Acquisitions, LLC
1030 16th Avenue South, Suite 500
Nashville, TN 37212
Attention: Mark McCord
Email: mmccord@elmingtoncapital.com

With a copy to:

Reno & Cavanaugh, PLLC
424 Church Street, Suite 2910
Nashville, Tennessee 37219
Attention: Dwayne Barrett
Email: dbarrett@renocavanaugh.com

Notice may also be given by e-mail, provided notice is also sent subsequently by one of the methods specified above. All such notices, demands, requests and other communications shall be deemed to have been given upon being personally delivered to the appropriate address specified above, one day after being deposited with such overnight courier, 3 days after being deposited in the U.S. mail or upon confirmed e-mail transmission to the party named therein at the e-mail address above. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, demand, request or other communication. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Any notice required under this Agreement may be given on behalf of a party by its legal counsel.

15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. Copies of this Agreement or signature pages bearing original signatures, and executed documents or signature pages delivered by a party by e-mail transmission of an Adobe® file format document (also known as a PDF file)

shall, in each such instance, be deemed to be, and shall constitute and be treated as, an original signed document or counterpart, as applicable. Any party delivering an executed counterpart of this Agreement by e-mail transmission of an Adobe® file format document also shall deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

16. **Tax-Free Exchange.** The parties acknowledge that Purchaser and/or Seller may wish to close this transaction as part of a tax-free exchange. The parties shall cooperate with the other and take any reasonable actions necessary, including the execution of appropriate documents, to assist the other so to acquire or sell the Property as part of a 1031 deferred exchange provided that: (a) neither party shall be required to incur any liability or expense in connection with the other's exchange; and (b) the exchange does not delay Closing.
17. **Time of Essence.** Seller and Purchaser agree that time is of the essence with regard to this Agreement. All time periods shall be computed in calendar days, unless expressly stated otherwise. If any date set forth for the performance of any obligation hereunder or for delivery of any instrument or notice shall be on a Saturday, Sunday or legal holiday, the compliance with such obligation or delivery shall be deemed acceptable on the next business day following same. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the Commonwealth of Virginia for observance thereof. As used herein, the term "business day" means any day other than a Saturday, Sunday or legal holiday.
18. **Severability.** In the event any one or more of the provisions contained in this Agreement are held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.
19. **Assignment.** This Agreement shall not be assignable by Purchaser without Seller's prior written consent. Notwithstanding the foregoing, this Agreement is assignable by Purchaser without Seller's prior written consent to an entity, including a limited liability company, owned or controlled by Purchaser, to a parent, wholly owned subsidiary or affiliated entity of Purchaser. No assignment by Purchaser shall relieve it of its obligations and liabilities hereunder. Purchaser shall identify the exact name, place of organizations and interest of any assignee of Purchaser at least five (5) days prior to Closing. Seller shall not assign this Agreement, except in exercising its rights under Section 16.
20. **Attorneys' Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this Agreement, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including attorneys' fees, expended or incurred in connection therewith.

21. **Waiver of Jury Trial.** PURCHASER AND SELLER EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY DISPUTE ARISING OUT OF THIS AGREEMENT.
22. **Effective Date.** The “Effective Date” of this Agreement shall be the date upon which this Agreement is signed by the last of either Purchaser or Seller.
23. **Choice of Law.** It is the intention of the parties that this Contract be construed and governed in accordance with the provisions of Virginia law. This Contract shall not be more strictly construed against one party than against the other by virtue of the fact that it may have been physically prepared by one party or by its attorneys, both parties and their respective attorneys having participated in the negotiation, drafting and preparation of this Contract. The terms “hereby,” “hereof,” “hereto,” “hereunder” and any similar terms refer to this Contract in its entirety and not solely to the particular section or paragraph in which the term is used.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the as of the dates set forth below.

SELLER:

2811 RADY, LLC,
a Virginia limited liability company

By: 

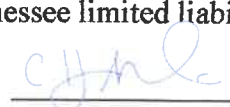
Name: John Payne

Title: Manager

Date: 2/19/2024

PURCHASER:

ECG ACQUISITIONS, LLC,
a Tennessee limited liability company

By: 

Name: C. Hunter Nelson

Title: Secretary

Date: 2/16/2024

ESCROW AGENT

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

By: _____

Name: _____

Its: _____

Date: _____

16865992.2 049112.00001

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

This **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this “Amendment”) is entered into as of the Amendment Effective Date (as hereinafter defined), by and between **2811 RADY, LLC**, a Virginia limited liability company (“Seller”), and **ECG ACQUISITIONS, LLC**, a Tennessee limited liability company and its successors and assigns (collectively, the “Purchaser”).

RECITALS

WHEREAS, Seller and Purchaser previously entered into that certain Purchase and Sale Agreement, dated as of February 19, 2024 (the “Agreement”), regarding unimproved real property consisting of approximately 22.87 acres located at Rady Street, Richmond, Virginia 23222 (the “Property”), as more particularly described in the Agreement.

WHEREAS, Seller and Purchaser desire to amend the Agreement subject to the terms and conditions described below.

WHEREAS, All capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Seller and Purchaser agree as follows:

AGREEMENTS

1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.

2. **Limited Inspection Period Extension.** Purchaser acknowledges and agrees that it has completed its inspections of the Property and only the SUP Approval is outstanding. The Inspection Period is hereby extended for the sole purpose of allowing Purchaser to pursue the SUP Approval so that, anything to the contrary in the Agreement notwithstanding, the Inspection Period with respect to the SUP Approval only shall expire at the earlier of: (i) the date on which the SUP Approval is secured, and (ii) December 31, 2024. Purchaser hereby waives its rights to terminate the Agreement pursuant to Section 5(a) for any reason other than pursuant to Section 5(a) in the event of Purchaser’s failure to secure the SUP Approval on or before December 31, 2024 despite Purchaser’s good faith and diligent efforts.

3. **No Further Modification.** Except as modified by this Amendment, the Agreement is not otherwise amended, and the Agreement is hereby ratified and remains in full force and effect as amended by this Amendment. The terms and provisions of the Agreement as amended by this Amendment remain in full force and effect and are hereby ratified and confirmed.

4. **Counterparts.** This Amendment may be executed in multiple counterparts, and all such counterparts together shall be construed as one document.

5. **Telecopied/Electronic Mail Signatures.** A counterpart of this Amendment signed by one party to this Amendment and telecopied or sent by electronic mail to another party to this Amendment or its counsel (i) shall have the same effect as an original signed counterpart of this Amendment, and (ii) shall be conclusive proof, admissible in judicial proceedings, of such party's execution of this Amendment.

6. **Amendment Effective Date.** The "Amendment Effective Date" of this Amendment shall be the date upon which this Amendment is signed by the last of either the Purchaser or Seller.

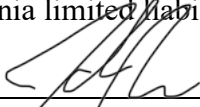
[Remainder of page intentionally left blank; signatures to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

SELLER:

2811 RADY, LLC,
a Virginia limited liability company

Date: 7/11/2024

By: 
Name: John Payne
Its: Manager

PURCHASER:

ECG ACQUISITIONS, LLC,
a Tennessee limited liability company

Date: 7/12/2024

By: 
Name: C. Hunter Nelson
Its: Secretary

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

This **SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "**Amendment**") is entered into as of the Amendment Effective Date (as hereinafter defined), by and between **2811 RADY, LLC**, a Virginia limited liability company ("**Seller**"), and **ECG ACQUISITIONS, LLC**, a Tennessee limited liability company and its successors and assigns (collectively, the "**Purchaser**").

RECITALS

WHEREAS, Seller and Purchaser previously entered into that certain Purchase and Sale Agreement, dated as of February 19, 2024, and as amended by that certain First Amendment to Purchase and Sale Agreement, dated as of July 12, 2024 (the "**Agreement**"), regarding unimproved real property consisting of approximately 22.87 acres located at Rady Street, Richmond, Virginia 23222 (the "**Property**"), as more particularly described in the Agreement.

WHEREAS, Seller and Purchaser desire to amend the Agreement subject to the terms and conditions described below.

WHEREAS, All capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Seller and Purchaser agree as follows:

AGREEMENTS

1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.

2. **Limited Inspection Period Extension.** Purchaser acknowledges and agrees that it has completed its inspections of the Property and only the SUP Approval is outstanding. The Inspection Period is hereby extended for the sole purpose of allowing Purchaser to pursue the SUP Approval so that, anything to the contrary in the Agreement notwithstanding, the Inspection Period with respect to the SUP Approval only shall expire at the earlier of: (i) the date on which the SUP Approval is secured, and (ii) February 28, 2025. Purchaser hereby waives its rights to terminate the Agreement pursuant to Section 5(a) for any reason other than pursuant to Section 5(a) in the event of Purchaser's failure to secure the SUP Approval on or before February 28, 2025 despite Purchaser's good faith and diligent efforts.

3. **No Further Modification.** Except as modified by this Amendment, the Agreement is not otherwise amended, and the Agreement is hereby ratified and remains in full force and effect as amended by this Amendment. The terms and provisions of the Agreement as amended by this Amendment remain in full force and effect and are hereby ratified and confirmed.

4. **Counterparts.** This Amendment may be executed in multiple counterparts, and all such counterparts together shall be construed as one document.

5. **Telecopied/Electronic Mail Signatures.** A counterpart of this Amendment signed by one party to this Amendment and telecopied or sent by electronic mail to another party to this Amendment or its counsel (i) shall have the same effect as an original signed counterpart of this Amendment, and (ii) shall be conclusive proof, admissible in judicial proceedings, of such party's execution of this Amendment.

6. **Amendment Effective Date.** The "Amendment Effective Date" of this Amendment shall be the date upon which this Amendment is signed by the last of either the Purchaser or Seller.

[Remainder of page intentionally left blank; signatures to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

Date: _____

12.23.24

SELLER:

2811 RADY, LLC,
a Virginia limited liability company

By: _____

Name: _____

Its: _____

JOHN PAYNE
MANAGER

PURCHASER:

ECG ACQUISITIONS, LLC,
a Tennessee limited liability company

Date: _____

12/23/2024

By: _____

Name: C. Hunter Nelson

Its: Secretary

THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT

This **THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "Amendment") is entered into as of the Amendment Effective Date (as hereinafter defined), by and between **2811 RADY, LLC**, a Virginia limited liability company ("Seller"), and **ECG ACQUISITIONS, LLC**, a Tennessee limited liability company and its successors and assigns (collectively, the "Purchaser").

RECITALS

WHEREAS, Seller and Purchaser previously entered into that certain Purchase and Sale Agreement, dated as of February 19, 2024, as amended by that certain First Amendment to Purchase and Sale Agreement, dated as of July 12, 2024, and as amended by that certain Second Amendment to Purchase and Sale Agreement, dated as of December 23, 2024 (the "Agreement"), regarding unimproved real property consisting of approximately 22.87 acres located at Rady Street, Richmond, Virginia 23222 (the "Property"), as more particularly described in the Agreement.

WHEREAS, Seller and Purchaser desire to amend the Agreement subject to the terms and conditions described below.

WHEREAS, All capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Seller and Purchaser agree as follows:

AGREEMENTS

1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.

2. **Closing.** Section 4 of the Agreement is hereby deleted in its entirety and replaced as follows:

"4. **Closing.** The closing of the purchase and the delivery of the title to and possession of the Property to Purchaser (the "Closing") shall occur in escrow through Escrow Agent on or before July 31, 2025 (the "Closing Date"); provided that Purchaser may extend the Closing Date for two (2) successive periods (each, a "Closing Extension") by delivering to Seller written notice of its exercise of such extension prior to the then-scheduled Closing Date, and delivering to Escrow Agent an additional One Hundred Thousand and No/100 Dollars (\$100,000.00) for each extension exercised by Purchaser (each a "Closing Extension Deposit" and collectively, the "Closing Extension Deposits", and, together with the Earnest Money, collectively, the "Deposits"). The first (1st) Closing Extension shall extend the Closing Date to December 31, 2025, and the second (2nd) Closing Extension shall extend the Closing Date to February 15, 2026. For the avoidance of doubt, the parties acknowledge and agree that the exercise of a Closing Extension shall not extend the Inspection Period as defined in Section 5. TIME BEING OF THE ESSENCE. The Closing Extension Deposits shall be applied as a credit against the Purchase Price at Closing and

shall be non-refundable to Purchaser except in the event that (i) Seller defaults under the terms of this Agreement beyond any applicable cure period or (ii) as provided in Section 13.”

3. **No Further Modification.** Except as modified by this Amendment, the Agreement is not otherwise amended, and the Agreement is hereby ratified and remains in full force and effect as amended by this Amendment. The terms and provisions of the Agreement as amended by this Amendment remain in full force and effect and are hereby ratified and confirmed.

4. **Counterparts.** This Amendment may be executed in multiple counterparts, and all such counterparts together shall be construed as one document.

5. **Telecopied/Electronic Mail Signatures.** A counterpart of this Amendment signed by one party to this Amendment and telecopied or sent by electronic mail to another party to this Amendment or its counsel (i) shall have the same effect as an original signed counterpart of this Amendment, and (ii) shall be conclusive proof, admissible in judicial proceedings, of such party’s execution of this Amendment.

6. **Amendment Effective Date.** The “Amendment Effective Date” of this Amendment shall be the date upon which this Amendment is signed by the last of either the Purchaser or Seller.

[Remainder of page intentionally left blank; signatures to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

SELLER:

2811 RADY, LLC,
a Virginia limited liability company

Date: 2/21/25

By: 

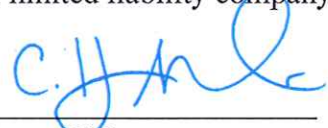
Name: John Payne

Its: _____

PURCHASER:

ECG ACQUISITIONS, LLC,
a Tennessee limited liability company

Date: 2/21/2025

By: 

Name: C. Hunter Nelson

Its: Secretary

FOURTH AMENDMENT TO PURCHASE AND SALE AGREEMENT

This **FOURTH AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "Amendment") is entered into as of the Amendment Effective Date (as hereinafter defined), by and between **2811 RADY, LLC**, a Virginia limited liability company ("Seller"), and **ECG RADY, LP**, a Virginia limited partnership and its successors and assigns ("Buyer").

RECITALS

WHEREAS, Seller and ECG Acquisitions, LLC, a Tennessee limited liability company ("ECG") previously entered into that certain Purchase and Sale Agreement, dated as of February 19, 2024, as amended by that certain First Amendment to Purchase and Sale Agreement, dated as of July 12, 2024, as amended by that certain Second Amendment to Purchase and Sale Agreement, dated as of December 23, 2024, and as amended by that certain Third Amendment to Purchase and Sale Agreement, dated as of February 21, 2025 (collectively, the "Agreement"), regarding unimproved real property consisting of approximately 22.87 acres located at Rady Street, Richmond, Virginia 23222 (the "Property"), as more particularly described in the Agreement.

WHEREAS, ECG agreed to assign its interest under the Agreement to Buyer pursuant to that certain Assignment and Assumption of Purchase and Sale Agreement dated as of June 26, 2025.

WHEREAS, Seller and Purchaser desire to amend the Agreement subject to the terms and conditions described below.

WHEREAS, All capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Seller and Purchaser agree as follows:

AGREEMENTS

1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.

2. **Closing.** Section 4 of the Agreement is hereby deleted in its entirety and replaced as follows:

"4. **Closing.** The closing of the purchase and the delivery of the title to and possession of the Property to Purchaser (the "Closing") shall occur in escrow through Escrow Agent on or before July 31, 2025 (the "Closing Date"). Purchaser may extend the Closing Date for two (2) successive periods ("Initial Closing Extensions") by delivering to Seller written notice of its exercise of such extension prior to the then-scheduled Closing Date, and delivering to Escrow Agent an additional One Hundred Thousand and No/100 Dollars (\$100,000.00) for each extension exercised by Purchaser (each an "Initial Closing Extension Deposit" and collectively, the "Initial Closing Extension Deposits") The first (1st) Closing Extension shall extend the Closing Date to December 31, 2025, and the second

(2nd) Closing Extension shall extend the Closing Date to February 15, 2026. For the avoidance of doubt, the parties acknowledge and agree that the exercise of a Closing Extension shall not extend the Inspection Period as defined in Section 5. TIME BEING OF THE ESSENCE. The Initial Closing Extension Deposits shall be applied as a credit against the Purchase Price at Closing. Purchaser may extend the Closing Date for an additional four (4) successive periods of ninety (90) days each (each an "Additional Closing Extension" and collectively, the "Additional Closing Extensions") by delivering to Seller written notice of its exercise of such extension prior to the then-scheduled Closing Date, and delivering to Escrow Agent an additional Fifty Thousand and No/100 Dollars (\$50,000.00) for each Additional Closing Extension (the "Additional Closing Extension Deposits", and together with the Initial Closing Extension Deposits, the "Closing Extension Deposits", and, together with the Earnest Money, collectively, the "Deposits"). The Additional Closing Extension Deposits shall not be applicable to the Purchase Price. All of the Closing Extension Deposits shall be non-refundable to Purchaser except in the event that (i) Seller defaults under the terms of this Agreement beyond any applicable cure period or (ii) as provided in Section 13."

3. **No Further Modification.** Except as modified by this Amendment, the Agreement is not otherwise amended, and the Agreement is hereby ratified and remains in full force and effect as amended by this Amendment. The terms and provisions of the Agreement as amended by this Amendment remain in full force and effect and are hereby ratified and confirmed.

4. **Counterparts.** This Amendment may be executed in multiple counterparts, and all such counterparts together shall be construed as one document.

5. **Telecopied/Electronic Mail Signatures.** A counterpart of this Amendment signed by one party to this Amendment and telecopied or sent by electronic mail to another party to this Amendment or its counsel (i) shall have the same effect as an original signed counterpart of this Amendment, and (ii) shall be conclusive proof, admissible in judicial proceedings, of such party's execution of this Amendment.

6. **Amendment Effective Date.** The "Amendment Effective Date" of this Amendment shall be the date upon which this Amendment is signed by the last of either the Purchaser or Seller.

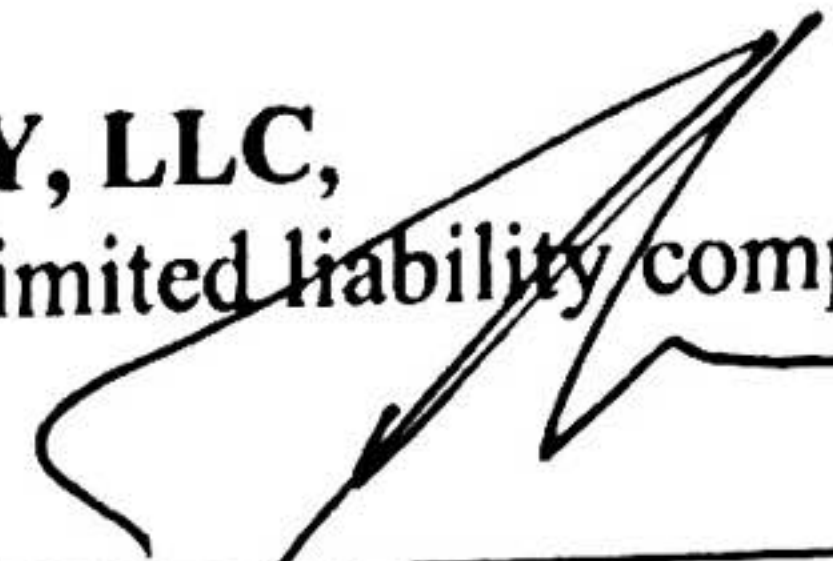
[Remainder of page intentionally left blank; signatures to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

SELLER:

2811 RADY, LLC,
a Virginia limited liability company

Date: 7/30/2025

By: 

Name: JOHN PAYNE

Its: MANAGER

PURCHASER:

ECG RADY, LP,
a Tennessee limited partnership

Date: 7/31/25

By: 

Name: C. Hunter Nelson

Its: Secretary

ASSIGNMENT AND ASSUMPTION OF PURCHASE AND SALE AGREEMENT

This Assignment and Assumption of Purchase and Sale Agreement (this “Agreement”) is entered into effective as of June 26, 2025 (the “Effective Date”), by and between **ECG ACQUISITIONS, LLC**, a Tennessee limited liability company, hereinafter referred to as “Assignor”, and **ECG RADY, LP**, a Tennessee limited partnership, hereinafter referred to as “Assignee”.

WHEREAS, Assignor is a party to that certain Purchase and Sale Agreement, executed by Assignor as “Purchaser” and 2811 Rady, LLC, a Virginia limited liability company, as “Seller”, dated effective February 19, 2024 (the “Contract”), under which Seller agreed to sell and Purchaser agreed to purchase certain improved real property located in Richmond, Virginia, at 2811 Rady Street, Richmond, VA 23222 and bearing Parcel ID No. **N0000720017** (the “Property”), as more fully described therein; and

WHEREAS, Assignor desires to assign its interest in the Contract to Assignee, with Assignee assuming the rights to purchase the Property; and

WHEREAS, Assignee desires to assume all of Assignor’s right, title, obligations and interest in, under, and to the Contract as “Purchaser”; and

WHEREAS, pursuant to Section 19 of the Contract, Assignor has the right to assign to Assignee all of Assignor’s right, title, obligations and interest in, under, and to the Contract as “Purchaser” without the consent or permission of Seller.

NOW THEREFORE, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Assignment and Assumption of Contract.** Assignor does hereby assign, transfer and convey unto Assignee, and Assignee’s successors and assigns, all of Assignor’s rights, title, duties, obligations, and interests in, under, and to the Contract. Assignee hereby accepts the assignment of the Contract, and does hereby assume and undertake to abide by the Contract and all liabilities and obligations of Purchaser thereunder, including any indemnities, according to the terms and conditions thereof.
2. **Assignee Indemnification.** Assignee further agrees to hold Assignor harmless and to fully indemnify Assignor from and against any and all liability under the Contract as “Purchaser”, and any and all claims, suits, payments, settlements, awards, damages, judgments, losses, expenses, court costs and attorneys’ fees incurred by or assessed against Assignor in connection with the Contract.
3. **Assignor to Remain Fully Liable.** Notwithstanding anything to the contrary contained herein, Assignor shall remain fully liable for all obligations of “Purchaser” under the Contract.

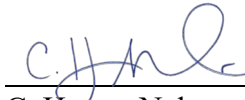
4. **Miscellaneous.** Except as specifically set forth in this Agreement the Contract remains unchanged and in full force and effect. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Contract. This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute a single instrument; provided however, that this Agreement shall not be effective until signed by both Assignor and Assignee. Facsimile or other electronic signatures shall be deemed originals.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

ASSIGNOR:

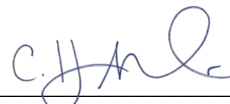
ECG ACQUISITIONS, LLC,
a Tennessee limited liability company

By: 
C. Hunter Nelson, Secretary

ASSIGNEE:

ECG RADY, LP, a Virginia limited partnership

By: ECG Rady GP, LLC,
a Tennessee limited liability company

By: 
C. Hunter Nelson, Managing Member

Tab E.2:
Tax Assessment

[Print](#)**Property:** 2811 Rady St **Parcel ID:** N0000720017

Detail

Real Estate Tax

Year	Bill	Billed	Abt/Adj	Pmt/Crd	Unpaid	Int Paid	Int Due	Total Due
2007	38183	\$6,308.67	\$0.00	\$6,308.67	\$0.00	\$0.00	\$0.00	\$0.00
2008	118897	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2009	99038197	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2010	10032421	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	11033405	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	12033430	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2013	13033472	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2014	14033441	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2015	15033624	\$10,908.00	\$0.00	\$10,908.00	\$0.00	\$0.00	\$0.00	\$0.00
2016	16033786	\$9,036.00	\$0.00	\$9,036.00	\$0.00	\$0.00	\$0.00	\$0.00
2017	17033866	\$9,036.00	\$0.00	\$9,036.00	\$0.00	\$0.00	\$0.00	\$0.00
2018	18033873	\$9,036.00	\$0.00	\$9,036.00	\$0.00	\$0.00	\$0.00	\$0.00
2019	19034016	\$9,432.00	\$0.00	\$9,432.00	\$0.00	\$0.00	\$0.00	\$0.00
2020	20034104	\$9,432.00	\$0.00	\$9,432.00	\$0.00	\$0.00	\$0.00	\$0.00
2021	21034366	\$9,432.00	\$0.00	\$9,432.00	\$0.00	\$0.00	\$0.00	\$0.00
2022	22034506	\$11,604.00	\$0.00	\$11,604.00	\$0.00	\$0.00	\$0.00	\$0.00
2023	23034559	\$12,240.00	\$0.00	\$12,240.00	\$0.00	\$0.00	\$0.00	\$0.00
2024	24034812	\$9,180.00	\$0.00	\$9,180.00	\$0.00	\$0.00	\$0.00	\$0.00
2025	25035097	\$9,180.00	\$0.00	\$9,180.00	\$0.00	\$0.00	\$0.00	\$0.00
2026	26035405	\$9,180.00	\$0.00	\$0.00	\$9,180.00	\$0.00	\$0.00	\$9,180.00

Special Assessment Tax

Year	Bill	Billed	Abt/Adj	Pmt/Crd	Unpaid	Int Paid	Int Due	Total Due
------	------	--------	---------	---------	--------	----------	---------	-----------

Tax Totals

		Billed	Abt/Adj	Pmt/Crd	Unpaid	Int Paid	Int Due	Total Due
		\$200,360.67	\$0.00	\$191,180.67	\$9,180.00	\$0.00	\$0.00	\$9,180.00

Tab F:

RESNET Rater Certification (MANDATORY)



Appendix F RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).

If the plans and specifications do not include requirements to meet the QAP baseline energy performance, those requirements still must be met, even though the application is accepted for credits.

***Please note that this may make the Application ineligible for credits. The Requirements apply to any new, adaptive reuse, or rehabilitated development (including those serving elderly and/or physically disabled households).

In addition, provide HERS rating documentation as specified in the manual.

☒ **New Construction** – EnergyStar Certification

The development's design meets the criteria for the EnergyStar Certification. Rater understands that before issuance of IRS Form 8609, the applicant will obtain and provide EnergyStar Certification to Virginia Housing.

☐ **Rehabilitation** – 30% performance increase over existing, based on HERS index.

Or, it must provide evidence of a HERS Index of 80 or lower. The rater understands that before IRS Form 8609 is issued, the rater must provide Virginia Housing with energy performance certification.

☐ **Adaptive Reuse** – Must provide evidence of a HERS index of 95 or lower. The rater understands that before IRS Form 8609 is issued, the rater must provide Virginia Housing with energy performance certification.

Additional Optional Certification

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am an accredited verifier of said certification. If the plans and specifications do not include requirements to obtain the certification, those requirements must still be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, the applicant will obtain and provide Certification to Virginia Housing.

☐ **Earthcraft Certification** - The development's design meets the criteria to obtain Earthcraft Multifamily program gold certification or higher.

☐ **LEED Certification** - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

☒ **National Green Building Standard (NGBS)** - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

☐ **Enterprise Green Communities**—The development's design meets the requirements stated in the Enterprise Green Communities Criteria for this development's construction type to obtain certification.

*****Please Note Raters must have completed 500+ ratings to certify this form*****

Drew Wallace

Digitally signed by Drew Wallace
Date: 2025.11.19 08:44:16 -06'00'

Drew Wallace

11/19/25

RESNET Rater Signature

Printed Name

Date

RaterUSA

Gary Fries

RESNET Provider Agency

Provider Contact Name

Gary R Fries

Digitally signed by Gary R Fries
DN: cn=Gary R Fries, o=RaterUSA, email=gfries@RATERusa.com
Reason: I am approving this document
Date: 2025.01.14 02:21:41-0500
For PDF: 2025.01.14 02:21:41-0500

gfries@RATERusa.com

(314) 680-0660

Contact Signature

Email

Phone



HERS[®] Rater

• CERTIFICATION •

RATERusa LLC 1998-156

RATING PROVIDER AND ACCREDITATION NUMBER

econsultants, LLC

RATING COMPANY

CERTIFY THAT
Andrew Wallace

RATER

RATER TESTING IDENTIFICATION NUMBER: 6806167

Has satisfied the training, testing, and assessment requirements of the Residential Energy Services Network (RESNET), an organization dedicated to industry leading national energy efficiency standards and the training, certification and quality assurance standards of Home Energy Raters (HERS), is hereby authorized to use the RESNET HERS Rater certification credential.

05/21/28

CERTIFICATION EXPIRES

A handwritten signature in black ink that reads 'Steve Baden'.

STEVE BADEN,
RESNET EXECUTIVE DIRECTOR

Tab G:

Zoning Certification Letter (MANDATORY)



Zoning Certification

NOTE TO DEVELOPER: You are strongly encouraged to submit this certification to the appropriate local official **at least three weeks in advance of the application deadline** to ensure adequate time for review and approval

General Instructions:

1. The Local Certification section **must** be completed by the appropriate local official or Civil Engineer.
2. The Engineer **must** be registered in the Commonwealth of Virginia.
3. 'Development Description' should be provided by the Owner.
4. 'Development Address' should correspond to I.A.2 on page 1 of the application.
5. 'Legal Description' should correspond to the site control document in the application.
6. 'Proposed Improvements' should correspond with I.B & D and III.A of the application.
7. 'Other Descriptive Information' should correspond with the information in the application.
8. Any change in this Certification may result in disqualification of the application.

If you have any questions, please contact the Tax Credit Allocation Department at:

taxcreditapps@virginiahousing.com

Zoning Certification

DATE: December 10, 2025

TO: Virginia Housing
601 South Belvidere Street
Richmond, VA 23220

RE: ZONING CERTIFICATION
Name of Development: Rady Flats
Name of Owner/Applicant: ECG Rady, LP
Name of Seller/Current Owner: 2811 Rady LLC

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely to confirm proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely to determine whether the Development qualifies for points available under VHDA’s Qualified Allocation Plan for housing tax credit.

DEVELOPMENT DESCRIPTION:

Development Address:
2811 Rady Street
Richmond, VA 23222

Leal Description:

Parcel 1: 2811 Rady Street - Tax Parcel ID #N0000720017

Proposed Improvements:

Construction

New Construction:	# Units	288	# Buildings	5	Total Floor Area	377,348 sf
Adaptive Reuse	# Units		# Buildings		Total Floor Area	
Rehabilitation:	# Units		# Buildings		Total Floor Area	

Zoning Certification, cont'd

Current Zoning: M-2, R-6 allowing a density of N/A units per acre, and the following other applicable conditions: 352 units per the approved Special Use Permit Adopted by City Council on February 24th, 2025 (Ordinance No. 2025-024).

Other Descriptive Information:

LOCAL CERTIFICATION:

Check one of the following a appropriate:



The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.



The development described above is approved for non-conforming use. To the best of my knowledge, there are no zoning violations outstanding on this property, and no further zoning approvals and/or special use permits are required.

Mark Boyd, PE

Signature

Mark Boyd

I Digitally signed by Mark Boyd
DN: cn=Mark Boyd, o=Mark Boyd, ou=Mark Boyd, email=mark.boyd@virginiahousing.com, c=US
Date: 2025.12.10 10:03:32 -0500

Printed Name

Senior Project Manager

Title of Local Official or Civil Engineer

(804) 212-6652

Phone

December 10, 2025

Date

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please contact the Tax Credit Allocation Department at taxcreditapps@virginiahousing.com.

Tab H:

Attorney's Opinion (MANDATORY)

January 15, 2026

TO: Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

RE: 2026 Tax Credit Reservation Request (30% present value credits to be paired with tax-exempt bonds)
Name of Development: Rady Apartments
Owner: ECG Rady, LP

Dear Virginia Housing:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated January 15, 2025 (of which this opinion is a part) (the “Application”) submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low-income housing tax credits (“Credits”) available under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the “Regulations”).

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. Based solely upon my review of (i) the Applicant’s partnership agreement; (ii) any certifications, resolutions, or consents provided to me by the Applicant; and (iii) such partnership agreements or

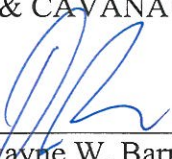
other organizational documents of the Applicant's Principals which I deemed necessary to issue this Opinion (none of which are attached to this Opinion), the individuals identified on the list attached as Exhibit A are duly authorized to execute documents on behalf of the Applicant, to the best of my knowledge and belief.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("Virginia Housing") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by Virginia Housing and may not be relied upon by any other party for any other purpose.

This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

RENO & CAVANAUGH, PLLC

By: 

Dwayne W. Barrett, Esq.

Its: Member

EXHIBIT A
TO
ATTORNEY'S OPINION LETTER

Based solely upon my review of (i) the Applicant's partnership agreement; (ii) any certifications, resolutions, or consents provided to me by the Applicant; and (iii) such partnership agreements or other organizational documents of the Applicant's Principals which I deemed necessary to issue this Opinion (none of which are attached to this Opinion), the individuals identified on the list attached as Exhibit A are duly authorized to execute documents on behalf of the Applicant, to the best of my knowledge and belief.

	NAME	TITLE
1	C. Hunter Nelson	Managing Member of the General Partner
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

Tab I:

Nonprofit Questionnaire (MANDATORY for points or pool)

NOTE: The following documents need not be submitted unless requested by Virginia Housing:

- Nonprofit Articles of Incorporation
- IRS Documentation of Nonprofit Status
- Joint Venture Agreement (if applicable)
- For-profit Consulting Agreement (if applicable)

Not Applicable

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

Not Applicable

Tab K:

Documentation of Development Location:

Tab K.1

Revitalization Area Certification

Tab K.2

Surveyor's Certification of Proximity to
Public Transportation using Virginia
Housing template

Not Applicable

Tab L:

PHA / Section 8 Notification Letter

Not Applicable

Tab M:

Intentionally Blank

Tab N:

Homeownership Plan

Not Applicable

Tab O:

Plan of Development Certification Letter

Not Applicable

Tab P:

Zero Energy or Passive House documentation for
prior allocation by this developer

Not Applicable

Tab Q:

Documentation of Rental Assistance, Tax Abatement
and/or existing RD or HUD Property

Not Applicable

Tab R:

Documentation of Utility Allowance calculation



UTILITY MODELING AND ANALYSIS REPORT

Project:

2811 Rady Street
Richmond , VA



PURPOSE

Econsultants, LLC has been contracted by Elmington Capital to calculate electric usage for 1 BR, 2 BR, 3 BR and 4 BR apartments at the 2811 Rady St property located in Richmond, VA.

Details on building design, construction, and equipment installed at the property were collected from preliminary construction drawings, informational forms, and/or questionnaires provided by the client. Econsultants then used standard engineering calculations to calculate the yearly and monthly cost of utility consumptions data for each unit type. This data was averaged with an equal weight on each of the 1 months to generate a typical average monthly utility consumption.

Econsultants completed the study by applying local utility rates plus the fuel charge and taxes to calculate consumption values. The allowances were calculated in accordance with 26 CFR1.42-10(b)(4)(ii)(E).

The values listed below provide the proposed monthly cost of utility allowances:

Apartment Type	Monthly Electric Cost	Monthly Water Cost	Monthly Waste Cost
1BR/A1	\$61.92	\$34.49	\$49.02
1BR/A2	\$60.17	\$34.49	\$49.02
2BR/B1	\$77.17	\$39.47	\$57.63
2BR/B2	\$79.00	\$39.47	\$57.63
2BR/B2 - Alt	\$78.42	\$39.47	\$57.63
3BR/C1	\$92.42	\$46.70	\$70.07
3BR/C1 - Alt	\$91.58	\$46.70	\$70.07
3BR/C1 - Alt 2	\$90.83	\$46.70	\$70.07
3BR/C2	\$93.08	\$46.70	\$70.07
4BR/D1	\$108.67	\$48.87	\$73.90

The values listed below provide the proposed monthly cost of utility allowances:

Apartment Type	Monthly Electric Usage	Monthly Water/Waste Usage
1BR/A1	453kwh	1.28kgal
1BR/A2	438kwh	1.28kgal
2BR/B1	580kwh	1.91kgal
2BR/B2	595kwh	1.91kgal
2BR/B2 - Alt	591kwh	1.91kgal
3BR/C1	707kwh	2.56kgal
3BR/C1 - Alt	700kwh	2.56kgal
3BR/C1 - Alt 2	694kwh	2.56kgal
3BR/C2	713kwh	2.56kgal
4BR/D1	843kwh	3.2kgal

Below we have broken down the end use calculation methods into the different building components. Also provided at the end of this report are the Fuel Summary and Building Specification Summary showing the building components for each of the following sections used in all energy calculations



HVAC

Ekotrope energy modeling software was used to calculate the heating, ventilation, and air conditioning energy allowances. Ekotrope's RESNET-accredited rater software is the most widely used HERS rating software.

Model inputs include; unit size, building orientation local weather data, windows (type and area), walls (R-values and area) roofs (R-values and area), slab details, air infiltration, set point temperatures, and unit specific mechanical systems.

The inputs in these calculations is based off of the DOE's Building America Housing Protocols, developed by National Renewable Energy Laboratory to help facilitate the accurate and consistent analysis of residential buildings. These models are based on space heating and cooling set points of for IECC Climate Zone 3.

DOMESTIC HOT WATER

Domestic Hot Water (DHW) system details for property are also shown in the attached reports. These units were modeled using a 40 gallon electric water heater with a 0.95 Energy Factor (EF).

An *energy factor* is a metric used in the United States to compare the energy conversion efficiency of residential appliances and equipment



LIGHTING, APPLIANCES AND MISCELLANEOUS PLUG LOADS

Lights and Appliances are calculated together on the same line item in the attached reports. The lighting allowances are based on the percentage of incandescent, florescent, and LED lighting installed in each unit type. Household average daily lamp usage is then applied to the selected lighting mix to calculate typical lighting electricity consumption for each unit type.

Appliances are based on the usage of Energy Star appliances and the typical kwh/year usage for those appliances. Those consumption values are also on the attached Building Specification reports



Electric rate and energy usage rates below:

[Residential Rates](#) | [Virginia](#) | [Dominion Energy](#)

Base rates with ALL applicable riders

Water rate and usage

[Utility Rates](#) | [Richmond](#)

Monthly Service Charge	Water	Wastewater
5/8" Meter	\$17.66	\$22.96
3/4" Meter	\$25.09	\$32.75
Unmetered*		\$85.31

Volume Charge	Water	Wastewater
Any number of Ccfs	\$5.53	\$9.57

Fuel Summary and Cost Reports:

Fuel Summary

Property
2811 Rady Street
Richmond, VA 23225
Model: 1BR INT Top
Community: 2811 Rady Street

2811 Rady Street 1BR INT Top (A1)
2811 Rady Street

Organization
econsultants LLC
Blake McClallen

Builder
Elimington Capital

Inspection Status
Results are projected



Annual Energy Cost

Electric	\$743
----------	-------

Annual End-Use Cost

Heating	\$137
Cooling	\$68
Water Heating	\$134
Lights & Appliances	\$312
Onsite Generation	-\$0
Service Charges	\$91
Total	\$743

Annual End-Use Consumption

Heating [Electric kWh]	1,139.6
Cooling [Electric kWh]	569.1
Hot Water [Electric kWh]	1,120.2
Lights & Appliances [Electric kWh]	2,602.0
Total [Electric kWh]	5,430.9
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	1.32
Peak Summer kW	0.96

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property

2811 Rady Street
Richmond, VA 23225
Model: 1BR INT Top
Community: 2811 Rady Street

2811 Rady Street 1BR INT Top (A2)
2811 Rady Street

Organization

econsultants LLC
Blake McClallen

Builder

Elimington Capital

Inspection Status

Results are projected



Annual Energy Cost

Electric	\$722
----------	-------

Annual End-Use Cost

Heating	\$140
Cooling	\$54
Water Heating	\$135
Lights & Appliances	\$302
Onsite Generation	-\$0
Service Charges	\$91
Total	\$722

Annual End-Use Consumption

Heating [Electric kWh]	1,168.0
Cooling [Electric kWh]	451.8
Hot Water [Electric kWh]	1,127.6
Lights & Appliances [Electric kWh]	2,512.8
Total [Electric kWh]	5,260.3
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	1.30
Peak Summer kW	0.88

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property

2811 Rady Street
Richmond, VA 23225
Model: 2BR INT Top
Community: 2811 Rady Street

2811 Rady Street 2BR INT Top (B1)

2811 Rady Street

Organization

econsultants LLC
Blake McClallen

Builder

Elimington Capital

Inspection Status

Results are projected



Annual Energy Cost

Electric	\$926
----------	-------

Annual End-Use Cost

Heating	\$215
Cooling	\$77
Water Heating	\$179
Lights & Appliances	\$363
Onsite Generation	-\$0
Service Charges	\$91
Total	\$926

Annual End-Use Consumption

Heating [Electric kWh]	1,793.3
Cooling [Electric kWh]	643.5
Hot Water [Electric kWh]	1,495.6
Lights & Appliances [Electric kWh]	3,027.0
Total [Electric kWh]	6,959.5
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	2.05
Peak Summer kW	1.16

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property

2811 Rady Street
Richmond, VA 23225
Model: 2BR INT Top
Community: 2811 Rady Street

2811 Rady Street 2BR INT Top (B2- ALT)

2811 Rady Street

Organization

econsultants LLC
Blake McClallen

Builder

Elimington Capital

Inspection Status

Results are projected



Annual Energy Cost

Electric	\$941
----------	-------

Annual End-Use Cost

Heating	\$225
Cooling	\$79
Water Heating	\$179
Lights & Appliances	\$368
Onsite Generation	-\$0
Service Charges	\$91
Total	\$941

Annual End-Use Consumption

Heating [Electric kWh]	1,874.4
Cooling [Electric kWh]	655.0
Hot Water [Electric kWh]	1,492.8
Lights & Appliances [Electric kWh]	3,065.4
Total [Electric kWh]	7,087.6
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	2.11
Peak Summer kW	1.17

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property

2811 Rady Street
Richmond, VA 23225
Model: 2BR INT Top
Community: 2811 Rady Street

2811 Rady Street 2BR INT Top (B2)
2811 Rady Street

Organization

econsultants LLC
Blake McClallen

Builder

Elimington Capital

Inspection Status

Results are projected



Annual Energy Cost

Electric	\$948
----------	-------

Annual End-Use Cost

Heating	\$231
Cooling	\$79
Water Heating	\$179
Lights & Appliances	\$367
Onsite Generation	-\$0
Service Charges	\$91
Total	\$948

Annual End-Use Consumption

Heating [Electric kWh]	1,926.1
Cooling [Electric kWh]	661.1
Hot Water [Electric kWh]	1,493.3
Lights & Appliances [Electric kWh]	3,058.6
Total [Electric kWh]	7,139.1
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	2.14
Peak Summer kW	1.17

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property
2811 Rady Street
Richmond, VA 23225
Model: 3BR EXT Top
Community: 2811 Rady Street

2811 Rady Street 3BR EXT Top (C2)
2811 Rady Street

Organization
econsultants LLC
Blake McClallen

Builder
Elimington Capital

Inspection Status
Results are projected



Annual Energy Cost

Electric	\$1,117
----------	---------

Annual End-Use Cost

Heating	\$281
Cooling	\$98
Water Heating	\$221
Lights & Appliances	\$426
Onsite Generation	-\$0
Service Charges	\$91
Total	\$1,117

Annual End-Use Consumption

Heating [Electric kWh]	2,343.4
Cooling [Electric kWh]	812.7
Hot Water [Electric kWh]	1,844.2
Lights & Appliances [Electric kWh]	3,554.1
Total [Electric kWh]	8,554.3
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	2.63
Peak Summer kW	1.41

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property
2811 Rady Street
Richmond, VA 23225
Model: 3BR INT Middle
Community: 2811 Rady Street

2811 Rady Street 3BR INT Top (C1)
2811 Rady Street

Organization
econsultants LLC
Blake McClallen

Builder
Elimington Capital

Inspection Status
Results are projected



Annual Energy Cost

Electric	\$1,109
----------	---------

Annual End-Use Cost

Heating	\$255
Cooling	\$116
Water Heating	\$221
Lights & Appliances	\$426
Onsite Generation	-\$0
Service Charges	\$91
Total	\$1,109

Annual End-Use Consumption

Heating [Electric kWh]	2,124.5
Cooling [Electric kWh]	967.4
Hot Water [Electric kWh]	1,843.9
Lights & Appliances [Electric kWh]	3,551.8
Total [Electric kWh]	8,487.6
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	2.55
Peak Summer kW	1.50

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property
2811 Rady Street
Richmond, VA 23225
Model: 3BR INT Bottom
Community: 2811 Rady Street

2811 Rady Street 3BR INT Top (C1-ALT 2)
2811 Rady Street

Organization
econsultants LLC
Blake McClallen

Builder
Elimington Capital

Inspection Status
Results are projected



Annual Energy Cost

Electric	\$1,090
----------	---------

Annual End-Use Cost

Heating	\$249
Cooling	\$100
Water Heating	\$221
Lights & Appliances	\$429
Onsite Generation	-\$0
Service Charges	\$91
Total	\$1,090

Annual End-Use Consumption

Heating [Electric kWh]	2,072.8
Cooling [Electric kWh]	834.0
Hot Water [Electric kWh]	1,842.5
Lights & Appliances [Electric kWh]	3,574.4
Total [Electric kWh]	8,323.7
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	2.52
Peak Summer kW	1.42

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property
2811 Rady Street
Richmond, VA 23225
Model: 3BR INT Middle
Community: 2811 Rady Street

2811 Rady Street 3BR INT Top (C1-ALT)
2811 Rady Street

Organization
econsultants LLC
Blake McClallen

Builder
Elimington Capital

Inspection Status
Results are projected



Annual Energy Cost

Electric	\$1,099
----------	---------

Annual End-Use Cost

Heating	\$248
Cooling	\$115
Water Heating	\$221
Lights & Appliances	\$423
Onsite Generation	-\$0
Service Charges	\$91
Total	\$1,099

Annual End-Use Consumption

Heating [Electric kWh]	2,069.8
Cooling [Electric kWh]	954.4
Hot Water [Electric kWh]	1,845.3
Lights & Appliances [Electric kWh]	3,528.2
Total [Electric kWh]	8,397.6
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	2.50
Peak Summer kW	1.49

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------

Fuel Summary

Property
2811 Rady Street
Richmond, VA 23225
Model: 4BR EXT Top
Community: 2811 Rady Street

2811 Rady Street 4BR EXT Top (D1)
2811 Rady Street

Organization
econsultants LLC
Blake McClallen

Builder
Elimington Capital

Inspection Status
Results are projected



Annual Energy Cost

Electric	\$1,304
----------	---------

Annual End-Use Cost

Heating	\$342
Cooling	\$138
Water Heating	\$264
Lights & Appliances	\$469
Onsite Generation	-\$0
Service Charges	\$91
Total	\$1,304

Annual End-Use Consumption

Heating [Electric kWh]	2,853.8
Cooling [Electric kWh]	1,147.2
Hot Water [Electric kWh]	2,196.3
Lights & Appliances [Electric kWh]	3,909.7
Total [Electric kWh]	10,107.0
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	3.18
Peak Summer kW	1.65

Utility Rates

Electricity	Dominion 2025 VA ***
-------------	----------------------



HERS[®] Rater

• CERTIFICATION •

RATERusa LLC 1998-156

RATING PROVIDER AND ACCREDITATION NUMBER

econsultants, LLC

RATING COMPANY

CERTIFY THAT
Andrew Wallace

RATER

RATER TESTING IDENTIFICATION NUMBER: 6806167

Has satisfied the training, testing, and assessment requirements of the Residential Energy Services Network (RESNET), an organization dedicated to industry leading national energy efficiency standards and the training, certification and quality assurance standards of Home Energy Raters (HERS), is hereby authorized to use the RESNET HERS Rater certification credential.

05/21/28

CERTIFICATION EXPIRES

A handwritten signature in black ink that reads "Steve Baden".

STEVE BADEN,
RESNET EXECUTIVE DIRECTOR

Engineer Contact Info:

Malicoat-Winslow Engineers, Inc.

Mechanical and Electrical Engineers
4840 Rangeline Street, Suite 101
Columbia, Missouri 65202

Monthly Water Usage – 2811 Rady Street, Richmond VA

Apartment Type	Gallons/Month	kgal	CCF	Rate	Service Fee	Total Cost
1-Bedroom/1bath	1,276	1.28	1.7	\$5.53	\$25.09	\$34.49
2-Bedroom/2 bath	1,914	1.92	2.6	\$5.53	\$25.09	\$39.47
3-Bedroom/2 bath	2,552	2.56	3.9	\$5.53	\$25.09	\$46.70
4-Bedroom/2 bath	3,190	3.19	4.3	\$5.53	\$25.09	\$48.87

Tiered Rates per CCF

Tier	Monthly Billing Cycle Consumption	Rate per CCF
1	Any number of CCF's	\$5.53

Base Service Charges by Meter Size

Meter Size (inches)	Base Service Charge
5/8	\$17.66
3/4	\$25.09

Monthly Waste Water – 2811 Rady Street, Richmond VA

Apartment Type	Gallons/Month	kgal	CCF	Rate	Service Fee	Total Cost
1-Bedroom/1bath	1,276	1.28	1.7	\$9.57	\$32.75	\$49.02
2-Bedroom/2 bath	1,914	1.92	2.6	\$9.57	\$32.75	\$57.63
3-Bedroom/2 bath	2,552	2.56	3.9	\$9.57	\$32.75	\$70.07
4-Bedroom/2 bath	3,190	3.19	4.3	\$9.57	\$32.75	\$73.90

Tiered Rates per CCF

Tier	Monthly Billing Cycle Consumption	Rate per CCF
1	Any number of CCF's	\$9.57

Base Service Charges by Meter Size

Meter Size (inches)	Base Service Charge
5/8	\$22.96
3/4	\$32.75

Tab S:

Supportive House Mandatory
Certification and Documentation

Not Applicable

Tab T:

Funding Documentation

INTRODUCED: January 13, 2025

AN ORDINANCE No. 2025-008

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, 2811 Rady, LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable residential development located at 2811 Rady Street. (6th District)

Patron - Mayor Avula and Ms. Robertson

Approved as to form and legality
by the City Attorney

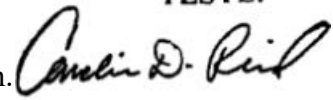
PUBLIC HEARING: JAN 27 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement between the City of Richmond, 2811 Rady, LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable residential development located at 2811 Rady Street. The Grant Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

**A TRUE COPY:
TESTE:**

§ 2. This ordinance shall be in force and effect upon adoption.


City Clerk

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JAN 27 2025 REJECTED: _____ STRICKEN: _____



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-1553

File ID: Admin-2024-1553

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk

Department:

File Created: 12/19/2024

Subject: A Performance Grant for Affordable Housing

Final Action:

Title:

Internal Notes: : Approval of a Performance Grant for an Affordable Housing Development Project for 2811 Rady LLC

Agenda Date: 01/13/2025

Patron(s):

Enactment Date:

Attachments: Admin-2024-1553 -Ord.-2811 Rady St.,
Admin-2024-1553- Ord.-2811 Rady St. Agreement

Enactment Number:

Contact:

Introduction Date:

Drafter: Michelle.Peters@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	12/19/2024	Merrick Malone	Approve	12/21/2024
1	2	12/23/2024	Matt Welch	Approve	12/24/2024
1	4	12/26/2024	Sharon Ebert	Approve	12/25/2024
1	5	12/26/2024	Meghan Brown	Approve	12/30/2024
1	6	12/26/2024	Sheila White	Approve	12/30/2024
1	8	12/27/2024	Sabrina Joy-Hogg	Approve	12/30/2024
1	10	12/27/2024	Jeff Gray	Approve	12/31/2024
1	11	12/27/2024	Lincoln Saunders	Delegated	
Notes: Delegated: Out Of Office					
1	12	12/27/2024	Sabrina Joy-Hogg	Approve	12/31/2024
1	13	1/6/2025	Mayor Stoney	Approve	1/7/2025
1	14	1/6/2025	Mayor Avula	Approve	1/8/2025

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
---------------	--------------	-------	---------	----------	-----------	-----------------	---------

Text of Legislative File Admin-2024-1553

**City of Richmond
Intracity Correspondence**

O&R Transmittal

DATE: November 8, 2024

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, DCAO - Finance & Administration

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Sharon L. Ebert, DCAO - Planning & Economic Development Portfolio

THROUGH: Matthew Welch, Acting Director of Economic Development

FROM: Merrick Malone, Acting Director of Housing and Community

RE: Approval of a Performance Grant for an Affordable Housing Development Project

PURPOSE: To authorize the Chief Administrative Officer (“CAO”) to execute, for and on behalf of the City of Richmond (“City”), the Grant Agreements attached hereto by and between the City, the Economic Development Authority (“EDA”), and the following recipient(s):

- 2811 Rady, LLC

BACKGROUND: In 2022, the Virginia General Assembly approved HB1194, which amended Ch. 49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities “to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth.”

These Grant Agreements will induce the Recipients to construct and operate development projects (the “Project”) that will result in significant investment and economic development on the site located at the identified address in Attachment A and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and

serves governmental interests:

Grant payments will be solely limited to incremental real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients' completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty (30) years. **See Attachments A.**

FISCAL IMPACT: The one-year fiscal impact, upon completion of the Project construction, as evidenced by receipt of a temporary Certificate of Occupancy, is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and as such vastly under-values the true assessed value of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

The real estate tax revenue today, based on 2024 assessed value, would be \$9,180.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period would be \$882,131.04. As such the increase from the Effective Date to the first year of the Grant Period would be \$872,951.04. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. The City of Richmond's average assessed value increased 7.7% between 2023 and 2024. As such a property producing \$882,131.04 in Real Estate Tax Revenue in 2023 would produce approximately \$949,173.00 in Real Estate Tax Revenue in 2024 making the one-year Incremental Real Estate Tax Revenue \$67,041.87 between 2023 and 2024.

The approval of this performance grants will allow the City to meet one of its primary affordable housing goals, to produce new affordable housing units which are critically needed as evidenced by the City's declaration of a "housing crisis". There are no direct fiscal implications as the grant payments are solely limited to incremental tax revenues above and beyond the identified baselines of current real estate tax revenues received by the City for such baselines for each of the projects.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: January 13, 2024

CITY COUNCIL PUBLIC HEARING DATE: January 27, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Housing & Community Development, Economic Development, Finance, Budget, City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

ATTACHMENTS: Grant Agreement for the proposed recipient.

STAFF: Merrick Malone, Acting Director of Housing and Community Development; Matthew Welch, Acting Director of Economic Development

Attachment A

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ____ day of ____, 2024 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **2811 Rady, LLC** a Virginia Limited Liability Company, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$9,180 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” means a grant to be paid to the Recipient, or its successors or assigns, by the Authority pursuant to this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to one hundred percent (100%) of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period;).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means a one-time non-fundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year

during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real Estate Tax Revenue, provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.2.2 of this Agreement.

“Project” means a development on the Site containing not less than 400 residential units, subject to income and rent restrictions as set forth in Section 2.4 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means 2811 Rady, LLC and its successors and assigns, to the extent permitted by this Agreement.

“Site” means that the certain parcel 22.8649 acres currently owned by 2811 Rady, LLC, located respectively at 2811 Rady Street and currently referred to in the records of the City Assessor as Parcel No. N0000720017 respectively.

“State Housing Finance Agency” means Virginia Housing (formerly known as Virginia Housing Development Authority), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient’s Obligations 2.0

Grant Management Fee.

The Recipient shall pay a Grant Management Fee consisting of (i) a one-time, non-refundable \$500.00 fee immediately upon execution of the agreement to the Authority, and (ii) thereafter, the Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.1 Completion of Project Construction; Timeline.

2.1.1 Plan of Development. Recipient shall submit a Plan of Development or similar submission for the Project to the City’s Director of Planning and Development Review no later than nine (9) months after the Effective Date, which Plan of Development or similar

submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.1.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months of the Effective Date, (the “Construction Commencement Date”), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.1.3 Completion of Project Construction. Recipient shall complete the Project within three (3) years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.1.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.1 then the City’s Chief Administrative Officer (“CAO”), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City’s intent to terminate this Agreement. If Recipient fails to cure its failure to comply within 30 days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City’s election, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.2 Continued Maintenance and Operation of Project.

2.2.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.1.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties (“Transferee”), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term “Recipient” as used herein shall mean the Transferee.

2.2.2 Continued Maintenance and Operation of the Project. Following the Recipient’s completion of Project construction as set forth in Section 2.1.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient’s obligation to Maintain the Project includes the Recipient’s ongoing compliance with the provisions set forth in Section 2.4 (Affordable Housing) of this Agreement.

2.3 MBE Participation.

2.3.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.3.2 Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.4 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown on Exhibit A, according to standards promulgated by the State Housing Finance Agency. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.5 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of Four Million Dollars (\$4,000,000) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the

City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 All actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or has been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect

the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an “Event of Default”) shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City’s option, terminate ninety (90) days after the City’s notice to Recipient and Recipient’s designated lender, unless Recipient cures the Event of Default to the City’s satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient’s obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient’s expense, detailed updates and verification reasonably satisfactory to the City of the Recipient’s progress regarding the completion of Project construction and, following Project construction, of Recipient’s continued compliance with Section 2.2 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

Elmington Capital Group LLC
Attention: C. Hunter Nelson
1030 16th Ave S, Suite 500
Nashville, TN 37212

if to the City, to

with a copy to:

Williams Mullen Center
Attention: Gabrielle E. Brill, Esq
200 South 10th Street,
Suite 1600
Richmond, VA 23219

with a copy to:

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

with a copy to:

Economic Development Authority
of Richmond VA – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the Entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner of the Site, the Project, or both, provided the Recipient first shall have complied with the requirements set forth in Section 2.2.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a lender a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by a lender providing funds for the development of the Project, and any action taken by such lender or successor in interest to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, but no such consent shall be required to the exercise by lender or any assignee of lender of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that the lender shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise.

9.2 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Development Agreement.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-3714 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any

covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement. (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

CITY OF RICHMOND, VIRGINIA

a municipal corporation of the
Commonwealth of Virginia

By: _____

J.E. Lincoln Saunders

Date

Chief Administrative Officer

Authorized by Ordinance No. _____

Approved as to Form:

By:  _____

City Attorney's Office

2811 RADY, LLC

a Virginia limited liability company

By: _____

Date

Name: _____

Title: _____

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
RICHMOND, VIRGINIA,**

a political subdivision of the
Commonwealth of Virginia

By: _____

Chairman

Date

Approved as to Form:

By: _____
General Counsel to the Authority

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to an average income designation of 60% of AMI, according to standards promulgated by the State Housing Finance Agency, for a minimum of thirty (30) years.

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing

Rady Flats
2811 Rady Street
Richmond, VA, 23222

RE: Virginia Housing Renter Education Acknowledgement

I _____, have read, understand, and acknowledge, I have been presented information regarding the Virginia Housing free renter education to tenants.

I understand that it is my responsibility to review the website link provided here
www.virginiahousing.com/renters.

By signing below, I acknowledge that I have read, and understand the terms of all items contained this form.

Resident Name: _____

Resident Signature: _____

Date: _____

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

Not Applicable

Tab W:

Internet Safety Plan and Resident Information Form

Rady Flats

Internet Security Plan

The internet service at Rady Flats will have a rotating password that is only accessible to residents. The network router will be in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.

Rady Flats Apartments Internet
Guidelines Acknowledgement

I _____, have read, understand, acknowledge and agree to be bound by the recommendations, guidelines, terms, and conditions outlined in Rady Flats Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at The Rady Flats common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by Rady Flats. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and me be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in Rady Flats' Internet Guideline Manual.

Resident Name: _____

Resident Signature: _____

Date: _____



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

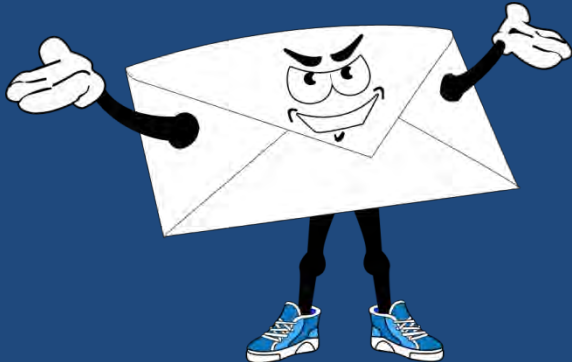
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



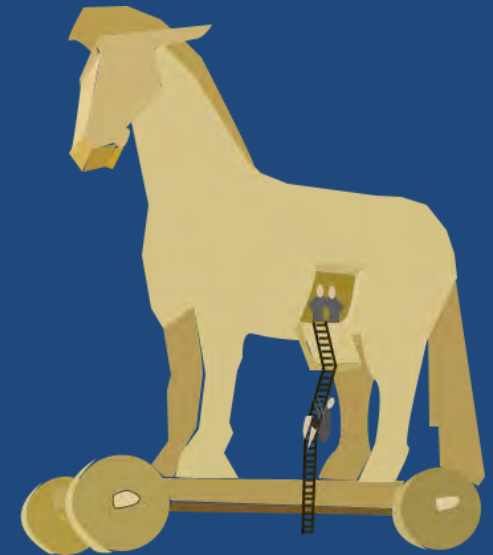
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a “zombie computer”. “Zombie computers” can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-what-is.aspx>

Social Media

Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.



Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/13/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger(can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov
If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).



Information Provided By:
Office of the Attorney
General

202 North Ninth Street
Richmond, Virginia 23219
(804) 786-2071
www.ag.virginia.gov

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

MARKETING & MANAGEMENT PLAN

**Rady Flats
2811 Rady St
Richmond, Richmond City, VA 23222**



Table of Contents

- I. Ownership Objectives
- II. Staffing
- III. Initial Property Transition and Analysis
- IV. Marketing
- V. Resident Relations
- VI. Support Services
- VII. Occupancy
- VIII. Property Construction and Maintenance
- IX. Federal Program Compliance
- X. Certification / Re-Certification Procedures
- XI. Rent Changes / Lease Terminations / Evictions
- XII. Financial Management
- XIII. Budgeting
- XIV. Capital Budgeting
- XV. Security
- XVI. Risk Management
- XVII. Administrative Responsibilities
- XVIII. Previous Experience

I. Ownership Objective

Rady Flats will consist of a 288-unit multi-family affordable housing community located at 2811 Rady St, 23222, Richmond City, Virginia. The community is a Low-Income Housing Tax Credit (LIHTC) affordable housing development serving income-qualified households in accordance with the approved unit mix and rent schedule.

The community includes designated HUD Section 504 units with accessible features. These units are subject to a leasing preference for households including at least one person with a disability and will be actively marketed in compliance with Virginia Housing and Fair Housing requirements.

One-Bedroom / One-Bath units serving households qualifying at 60% Area Median Income (AMI)
Two-Bedroom / Two-Bath units serving households qualifying at 60% Area Median Income (AMI)
Three-Bedroom / Two-Bath units serving households qualifying at 60% Area Median Income (AMI)
Four-Bedroom / Two-Bath units serving households qualifying at 60% Area Median Income (AMI)

The community includes designated HUD Section 504-compliant units with accessible features that are integrated throughout the unit mix and subject to a leasing preference for households including at least one person with a disability.

Total Units: 288

As management agent, communication with the ownership team will include a combination of weekly and monthly reporting in addition to periodic personal visits by supervisory management staff. Leasing and occupancy information will be provided on a weekly basis. A full financial package will be furnished monthly that includes detailed reporting of income and expenses, as well as narrative comments regarding budget variances to income and expense.

All management efforts at both the corporate and property levels will focus on the urgency of achieving ownership's objectives of optimum operation of the community with residents meeting the qualifying standards set forth by LIHTC and other program regulations as well as those necessary to afford smooth property operations and stabilized performance of the asset to the benefit of the property's owners and residents.

II. Staffing

Staffing during lease-up will consist of a Community Director (property manager), a Leasing Professional in the office, and support from Elmington's centralized team. This structure ensures that day-to-day operations, leasing velocity, and compliance are adequately supported while the community is in active absorption.

As the property moves from lease-up to stabilization, staffing levels will be evaluated in partnership with Development and Ownership. The goal is to maintain sufficient on-site presence to support resident needs and compliance while leveraging centralized resources for leasing, certification, and administrative functions. Any additional on-site roles will be considered based on performance, occupancy trends, and operational needs.

Immediate on-site supervision will be handled by a Regional Manager under the supervision of a Regional Vice President experienced in affordable housing and familiar with the local market area. The RVP will visit the property on a routine basis and lead the Regional Manager. This structure provides a direct local point of contact for the ownership team to ensure that we achieve the goals

and objectives established for the property. The frequency of visits will vary from several times weekly to bi-weekly, according to the specific needs of the community. In addition to the RVP, the Executive Vice President will also have oversight and involvement with the community in varying amounts through transition and stabilization. Corporate office support staff in the areas of accounting and LIHTC program compliance will assist the on-site and centralized teams.

This level of direct supervision at the regional and executive levels, along with our corporate and centralized support teams, will enable us to appropriately manage stabilized assets while having ample coverage to handle lease-up as it comes online.

III. Initial Property Transition and Analysis

A team of Elmington staff with experience in all areas of operation will assist the property in establishing operations. This team will follow a specific on-boarding process that will address all facets of the operational logistics at the outset. These include payroll, benefits, IT, answering services, property management, accounting, and A/P systems, etc. Introductions will be made to corporate team members so that the property is fully assimilated into the Elmington culture from day one. In addition, corporate department heads will be included in the process to address any immediate needs and eliminate any delays in efficient transition.

HR, property management systems, and data set up will be in process prior to the date that the leasing office opens to streamline the transition process and facilitate a smoother conversion to live property data as quickly as possible. Site communications and systems access will be established on day one.

Collections, occupancy, leasing, comparable property, and marketing efforts will also be initiated at the front end to assure a smooth transition to stabilized operations as leasing continues.

IV. Marketing

Rady Flats is located in Richmond, Virginia, within Richmond City, serving income-qualified households seeking affordable rental housing with access to employment centers, transit routes, healthcare services, educational institutions, and neighborhood amenities. The community serves households qualifying at 60% Area Median Income (AMI), with a mix of one-, two-, three-, and four-bedroom apartment homes.

The community includes designated HUD Section 504-compliant units with accessible features. These units are subject to a leasing preference for households that include at least one person with a disability and will be actively marketed in accordance with Fair Housing, Section 504, and Virginia Housing requirements.

The greater Richmond market includes a diverse population of income-qualified households seeking affordable rental housing. Marketing efforts will emphasize accessibility, proximity to essential services, inclusive design features, and the availability of accessible apartment homes. By highlighting affordability, accessibility, and long-term housing stability, marketing efforts will support sustained visibility and engagement throughout the surrounding community.

All marketing sources will be evaluated up front for effectiveness and implemented accordingly. A broad spectrum of marketing sources will be utilized, including digital advertising, internet listing services, print collateral, bilingual outreach, and partnerships with local employers and service providers. A competitive market evaluation will be completed to analyze property positioning and

surrounding opportunities, ensuring marketing activities align with applicant demand. Marketing materials will clearly communicate eligibility requirements, the 60% AMI qualification standard, and the leasing and application process from the earliest stage.

Demographic populations least likely to apply, specifically non-English-speaking households, first-time renters, and low-income families, will receive targeted outreach through local social-service agencies, school and childcare partners, churches, and community advocacy organizations. These relationships will ensure equitable access to leasing information and Fair Housing transparency at all stages of lease-up.

Lease-Up Marketing Strategy (Recommended Model)

To support the lease-up of Rady Flats, marketing efforts will be structured to align with LIHTC program requirements, Fair Housing standards, and Virginia Housing Section 504 leasing preference obligations. Marketing activities will be intentionally phased, front-loaded during early lease-up, and adjusted based on absorption performance, applicant traffic, and compliance requirements. Marketing channels may include internet listing services, digital advertising, print collateral, signage, and direct outreach to community partners and disability-focused service organizations. Specific marketing expenditures are not included in this plan and will be evaluated in coordination with ownership and development throughout the lease-up period.

Marketing efforts for Rady Flats will prioritize accuracy, accessibility, and sustained referral-based demand over broad, high-volume advertising, ensuring full compliance with LIHTC, Fair Housing, and Virginia Housing Section 504 leasing preference requirements.

Listing Visibility & Digital Presence

Rady Flats will maintain active and accurate listings across primary affordable housing and internet listing platforms commonly used by income-qualified households in the Richmond market. All listings will clearly communicate eligibility requirements, the 60% AMI qualification standard, application procedures, and the availability of accessible apartment homes. The property will be listed on VirginiaHousingSearch.com, as required.

Selective digital campaigns may be utilized to reinforce visibility during early lease-up or periods of reduced traffic, with messaging structured to support qualified demand and accessibility awareness rather than volume-driven lead generation.

Section 504 Referral-Driven Outreach

Targeted outreach is a core component of the lease-up strategy. Rady Flats will establish and maintain active relationships with Centers for Independent Living, disability services boards, housing advocacy organizations, and community-based nonprofit organizations serving individuals with disabilities within Richmond City and the surrounding area.

Designated Section 504 units will be actively marketed to these referral partners and held vacant as required until the leasing preference obligation is met. Outreach activity will be conducted on an ongoing basis and documented in accordance with Virginia Housing requirements to ensure compliance and continuity.

On-Site Presence & Physical Marketing

On-site marketing efforts will support neighborhood awareness and walk-in traffic through clear, professional signage and leasing collateral. All materials will be ADA-accessible and designed to clearly communicate eligibility, accessibility features, and leasing procedures. Physical marketing will

be calibrated to the immediate trade area and adjusted based on observed traffic patterns and leasing activity.

Prospect Engagement & Leasing Execution

Leasing efforts will emphasize responsiveness, education, and consistent execution. Leasing staff will provide clear guidance throughout the application and qualification process and receive ongoing training to ensure Elmington's customer service standards and compliance protocols are followed, particularly with respect to Section 504 leasing preferences.

Ongoing Evaluation & Adjustment

Marketing performance will be reviewed regularly to assess traffic sources, referral effectiveness, and application conversion. Strategies will be refined as needed to maintain leasing momentum, address gaps in demand, and ensure continued alignment with regulatory requirements as the property progresses toward stabilization.

Competition:

We have identified several affordable and income-restricted communities within Richmond City and the surrounding market that offer comparable unit types and serve similar income-qualified households. While some of these developments are located in adjacent submarkets, they represent the most relevant competitive landscape for Rady Flats due to comparable affordability structures, unit mixes, and proximity to employment centers, transit routes, healthcare services, and neighborhood amenities.

Primary affordable housing competitors include:

- **Creighton Court Apartments** – Richmond, VA: Affordable multifamily community serving income-qualified households within Richmond City
- **Whitcomb Court Apartments** – Richmond, VA: Income-restricted rental community serving households with similar income qualifications
- **Fairfield Court Apartments** – Richmond, VA: Affordable housing community offering a mix of unit types serving income-qualified households within the Richmond market

These comparable developments serve similar income-qualified renter profiles and unit sizes, with overlap across one-, two-, three-, and four-bedroom floor plans. Collectively, they represent the primary competitive environment for affordable rental housing within Richmond City and the surrounding market area.

In addition to the localized marketing initiatives described, Rady Flats will benefit from Elmington's centralized creative and marketing support resources. These services include branding guidance, signage and collateral development, digital advertising coordination, and outreach campaign support. This centralized approach ensures consistent, high-quality marketing execution while allowing flexibility to scale efforts based on lease-up performance, referral activity, and market response.

V. Resident Relations and Retention

We will continue to bolster social media comments made about the property on the web, by proactively soliciting good reviews from satisfied residents. Periodic social events will be planned as appropriate to offer the residents an opportunity to socialize and create community pride.

Residents will be asked to direct any maintenance needs to the office, where service requests will be completed and prioritized for completion. By notifying office personnel, not only will the leasing staff be

aware of any issues, but recurring problems or instances of resident abuse of a unit will be more easily identified.

Resident retention will be addressed beginning immediately at move in by emphasizing to the new resident what they can expect from property management, and in turn what management will expect of them. Effective, professional management and maintenance of the property and individual resident units will also bolster resident retention. A resident referral campaign will be implemented.

VI. Support Services

Outreach programs and resident promotions may be implemented by the Community Director as a service to the community as needs and owner preferences dictate. Materials used for outreach marketing will be approved by the RVP and Regional Manager, and the on-site staff will implement and coordinate all outreach efforts. Elmington employs a dedicated Section 504 Coordinator who provides guidance and support to the Community Director and Regional Manager to ensure that reasonable accommodations are provided for individuals with disabilities. The goal is to create an inclusive environment where all individuals have equal access to housing opportunities. The Section 504 Coordinator can be reached at 504coordinator@elmingtonpm.com.

These services will be coordinated through Richmond City–area public agencies, housing authorities, and nonprofit organizations serving low-income and income-qualified households, including organizations focused on disability services and independent living. Services may include resource referrals, housing stability support, and connections to community-based assistance programs. Additionally, relationships with third-party resident service providers may be utilized to establish and support programs as required by the LURA or as desired to foster resident engagement and community building.

VII. Occupancy

New applicants will be identified through a pre-qualification process at the time of their initial contact with the leasing staff. This process will include information regarding household composition, income, credit and criminal background, and previous housing history. Because Rady Flats serves income-qualified households at the 60% AMI level and includes designated HUD Section 504–compliant units, leasing will prioritize timely qualification and placement in accordance with LIHTC program requirements, Fair Housing standards, and Virginia Housing Section 504 leasing preference obligations. Vacant units will be actively marketed through established referral networks, including Richmond City–area housing assistance organizations and disability-focused service providers serving income-qualified households within the surrounding community.

Rental applications may be obtained at least 90 days in advance through the properties website or by calling the phone number displayed at the location. Initial leases are written for 12 months, with varying terms available for subsequent renewal periods. Lease requirements and community policies are personally explained and reviewed in detail to new residents at move-in. These priorities are further enhanced by on-site staff accompanying the resident to their apartment home for the first time in order to review the unit and its operating systems.

Following initial qualification, occupancy rates will be aggressively benchmarked for this community at 95% - 97% but can be adjusted as appropriate based on current market conditions.

Traffic, leasing, and marketing activity are monitored constantly and reported on a weekly basis as part of routine management. Results are analyzed and discussed with regional and on-site staff, as well as

ownership to compare budgeted levels and make appropriate adjustments to marketing and advertising plans, special promotions, and rental rates on a weekly basis as necessary.

Routine vacancies are turned and prepared for re-occupancy within three to five days unless work is required that exceeds the scope of a normal turn. In such cases, additional or contract work is scheduled as quickly as possible so as to return the unit to the ready status as soon as possible, understanding that ready units boost occupancy.

VIII. Property Construction and Maintenance Operations

Individual units will be periodically inspected to determine any unreported maintenance or resident damages and addressed as necessary utilizing our normal written service request system to allow for proper prioritization and tracking of completion.

Routine maintenance needs will be handled by on-site staff. Calls will be made to the leasing office for tracking and assignment to maintenance personnel. Routine requests will be addressed within 24 hours or less, based on volume of work in progress. Emergency service requests are addressed on an immediate basis as necessary according to the type of problem reported. After hours emergency maintenance calls will be reported to an automated system that first explains options to the resident, then gives them the option of reporting as routine to be addressed the following business day, or an emergency situation to be addressed as soon as possible. In the event of emergency calls, the system immediately calls the on-call maintenance person with the message and contact information for the resident. In the event that the message is not received within 15 minutes, the system escalates calls to the Community Director and Regional Manager until the matter has been addressed. All of this activity is digitally recorded for monitoring and review.

IX. Federal and State Program Compliance

Elmington brings deep experience in affordable housing, with leadership having worked extensively in the Low-Income Housing Tax Credit (LIHTC) program across multiple states, including Virginia. Compliance with Federal and State program requirements is handled through a detailed procedure of information gathering conducted at the site level where verifications are processed as necessary to ensure that all program requirements are met. Once complete, all applications are submitted to a centralized corporate compliance department for review and final approval prior to move-in to ensure accuracy.

Compliance training is conducted with all on-site, supervisory, and corporate compliance staff via in house training utilizing our proprietary compliance training, State sponsored classes, and third-party courses taught by national compliance consulting experts. Staff members are required to receive program specific training annually.

X. Certification / Re-Certification Procedures

Initial certification information may begin either at the community leasing office or through Elmington's centralized certification team via the Fortress portal. Applicants are pre-qualified as to program requirements prior to the actual application process. Once pre-qualified, applicants complete program-specific, proprietary application forms in the presence of on-site or centralized personnel to ensure that complete and accurate information is obtained. At no time are applications allowed to be completed off site on affordable communities. Once the initial application is complete, additional forms and verifications are completed according to the specific circumstances surrounding each applicant.

Following the intake process, applications are run through a third-party screener within our property management software (Fortress) to ensure that the applicant meets criminal criteria set forth for the property. If passing, the credit is then checked as well within the same transaction. This process enables us to minimize costs to the property for third-party report fees as well as staff time spent in the qualification process if in fact the applicant does not meet these criteria despite the pre-qualification process.

Once a clear background is established, staff members begin to process verifications in accordance with program regulations. When the file has been completed and is qualified, the program specific portions (LIHTC) are sent to the corporate compliance department for further review and final approval. This process is usually completed within 48 hours of receipt, and any discrepancies or corrections are communicated to the site to be addressed and confirmed prior to the applicant moving in. This process allows at a minimum a double check, and often a triple check of the verification process to ensure that the applicant is qualified for the unit, and that the tax credits of the owner are protected.

The annual recertification process is very similar. Depending on the age and income mix of any given community, the process can range from a process nearly identical to initial qualification to simply updating basic household information per the regulations allowed by the modified certification procedures recently implemented by the IRS.

XI. Rent Changes / Lease Terminations / Evictions

Changes In Resident's Rent Based on Utility Allowance. Rent is based on the area median gross income (AMGI) applicable to such unit, calculated in accordance with all IRS regulations, less any applicable utility allowance. The utility allowance for the unit may change during the lease term. If the utility allowance for your unit decreases during the lease term, Owner may, at its sole discretion, increase the rent by the amount of the utility allowance decrease. Any such rent increase will be made in accordance with all applicable state and local laws. The owner will notify residents in writing as required by law in advance of the effective date of any such increase.

Changes In Resident's Rent Based on HUD Area Median Gross Income. Rent for each unit is based on the area median gross income (AMGI), which is published by the Federal Department of Housing and Urban Development for the geographic area of the Premises. If AMGI increases any time during the term of your Lease, Owner may, at its sole discretion, increase the rent to an amount not to exceed the allowable amount of the new AMGI. Any such rent increase will be made in accordance with all applicable state and local laws. The owner will notify residents in writing as required by law in advance of the effective date of any such increase.

Rents are due on the 1st of each month. Late charge dates and amounts are handled in accordance with applicable state and local tenant/landlord laws and the terms of the lease. Rents are payable by check or money order at the property office or through any approved electronic payment methods. "Friendly Reminders" are sent to any resident who has not paid prior to the delinquent date, and applicable late charges are assessed at the appropriate time per the lease agreement.

All delinquent residents are notified in writing of the breach, and subsequent calls and personal contacts are made in accordance with the property's approved collection policy and all governing laws. Any resident who has not cured the delinquency within the legally required notice and cure period may be referred to the attorney for eviction or have a writ filed with the court, as permitted by local law and Ownership's collection guidelines.

For violations other than non-payment of rent, the RM is to be notified prior to any notice being issued. Specific notice requirements under applicable landlord/tenant statutes (including URLTA, where

applicable) will be followed. Should the resident not cure the infraction by the end of the required period, a notice to vacate may then be issued. Management will not accept rent from any resident after the file has been sent to the attorney for eviction without consulting with the RM first. Once a file has been sent to the attorney, the unit will be entered as "On Notice to Vacate" in Fortress, with the move-out date set in accordance with legal timelines and court orders.

XII. Financial Management

Property management accounting on site is done through Fortress and integrated platforms. This is used for lease and rent management, accounts receivable, and accounts payable. Invoices are entered at the site level using ProcureDesk and travel through the approval process electronically with varying approval levels through supervisory and executive management based on invoice amount and type. Rents are deposited electronically by the on-site staff.

Reconciliation of property accounting and production of financial statement packages are handled at the corporate office. A full financial package including P&L, balance sheet, rent roll, A/P and A/R detail, bank reconciliation, and trial balances are provided monthly to the owner, and to other interested parties (i.e. lender and syndicators) as required.

XIII. Budgeting

Annually, the on-site team will meet with the Regional Manager in August to create the draft budget for the upcoming year. Once the draft is completed, the RM reviews the draft for further analysis and review. Following this process, the budget is forwarded to the RVP for a final review prior to being sent to the owner for comment prior to being finalized and entered into the accounting system for the following year. Approved budgets are reviewed with the Regional Manager, Community Director, and Maintenance Supervisor to ensure all are in agreement with the budget and understand the requirements and how it will impact property operations.

XIV. Capital Budgeting

Spending limits are imposed on site level staff at \$1,000 without supervisory approval. Regional Managers are limited to \$2,500 unless otherwise restricted by the management agreement. Limits are set into the property management program to help monitor these limits at the on-site level. Additional checks are made at the time of invoice approval. All non-recurring capital expenses require additional approval prior to the time purchase regardless of budget authority or approval.

XV. Security

Risk analysis is addressed through several different sources. An initial assessment of the property and surrounding neighborhood will be made to identify any potential risks. If found, corrections will be addressed through the operating budget or capital recommendation to the owner as appropriate. Subsequent monitoring will be done through monthly inspections conducted by the on-site team and quarterly property audits conducted by the Regional Manager. Special attention will be paid to site specific or unusual circumstances. Management will make recommendations for additional budgetary needs that adversely affect leasing and marketing activities.

XVI. Risk Management

Adequacy of insurance coverage is conducted at the time of management transition as part of initial due diligence procedures. Recommendation is made to the owner as appropriate. Property insurance

requirements vary somewhat by property but are analyzed at the time of acquisition to ensure proper coverage and that the requirements of the lender and syndicators are met. Following analysis, if any concern is noted, or potential changes identified, the owner will be notified immediately.

Toxic substances are monitored through established maintenance procedures to ensure compliance with EPA, OSHA, and health department guidelines. MSDS manuals are maintained on property in maintenance work area.

XVII. Administrative Responsibilities

The Community Director on-site reports to a Regional Manager, who reports directly to the Regional Vice President. Other corporate administrative, accounting, and compliance team members support the on-site teams in their various areas of responsibility. Staff members at all levels are guided by a written employee handbook that addresses all areas of employment procedures.

Individual bank accounts are established for both operating and security deposit funds. In the event that the lender does not handle monthly escrow funds, separate accounts are established for that purpose as well. All of these accounts are monitored and reconciled by corporate accounting staff and tied to property financials at month end.

XVIII. Previous Experience

Elmington Property Management (EPM) has extensive experience in marketing and managing subsidized housing, including developments under the Low-Income Housing Tax Credit program and those administered through MSHDA. More than half of EPM's 39,700-unit portfolio across 245 properties is affordable housing, and the company has earned national recognition with a #22 ranking on NAHMA's Top 100 Affordable List. With leadership bringing over 30 years of affordable housing expertise, EPM has a strong track record of meeting compliance requirements while successfully marketing communities to diverse populations.

Affirmative marketing is embedded into EPM's approach through its in-house Creative Services team, which develops branding, outreach, and digital campaigns tailored to each community's demographics. Efforts include identifying groups least likely to apply, partnering with local social service agencies, advocacy groups, and community organizations, and creating marketing materials that are inclusive and transparent. These practices ensure that outreach extends beyond standard advertising to reach underrepresented applicants and meet affirmative marketing goals.

EPM is equally committed to ensuring accessibility for households with disabilities. A dedicated 504 Coordinator provides oversight and support to site and regional teams, ensuring that accommodations are not only available but actively communicated. Marketing materials highlight eligibility, accessible units, and supportive services, while partnerships with disability advocacy groups and community health organizations expand outreach. These measures demonstrate both a written commitment and tangible achievement in meeting handicapped marketing goals.

Together, these efforts reflect EPM's ability to market and manage subsidized communities effectively, achieve affirmative marketing objectives, and ensure accessibility and inclusion for all residents.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

Not Applicable

Tab Z:

Documentation of team member's Diversity, Equity
and Inclusion Designation or Veteran Owned Small
Business certification

Not Applicable

Tab AA:

Priority Letter from Rural Development

Not Applicable

TAB AB:

Social Disadvantage Certification or Veteran
Owned Small Business Certification

Not Applicable